

the staff of such center or entity in such management) as may be specified in the grant award. Such technical or other nonfinancial assistance shall be designed to assist such centers and entities in:

- (1) Developing plans for becoming migrant centers; and/or
- (2) Meeting the requirements of sections 319(f)(2) of the Act.
- (b) Provide such assistance through its own staff or resources.
- (c) Where the project will provide training to the staff of a center or entity in management or the provision of health services, provide such training consistent, as applicable, with § 56.108(b)(7).
- (d) Maintain such records and make such reports on the expenditure of funds under this subpart and provision of such assistance as the Secretary may require.

§ 56.704 Grant evaluation and award.

Within the limits of funds determined by the Secretary to be available for such purpose, the Secretary may award grants under this subpart to applicants therefor which will, in his judgment, best promote the purposes of section 319(g) of the Act and applicable regulations of this part, taking into consideration:

- (a) The cost-effectiveness of the application; and
- (b) The number of centers and entities to be served by the applicant.

Subpart H—Acquisition and Modernization of Existing Buildings

§ 56.801 Applicability of 42 CFR part 51c, subpart E.

The provisions of 42 CFR part 51c, subpart E, establishing requirements for the acquisition and modernization of existing buildings, shall apply to all grants under section 319 of the Act for project costs which include the cost of acquisition and/or modernization of existing buildings (including the cost of amortizing the principal of, and paying the interest on, loans); except that, for purposes of this subpart, references within subpart E to part 51c, or to subparts of part 51c, shall be deemed to be references to part 56, or to the appropriate subparts of part 56, and ref-

erences to section 330 of the Act shall be deemed to be references to section 319 of the Act.

[43 FR 5353, Feb. 7, 1978]

PART 57—GRANTS FOR CONSTRUCTION OF TEACHING FACILITIES, EDUCATIONAL IMPROVEMENTS, SCHOLARSHIPS AND STUDENT LOANS

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721-735, as amended by Pub. L. 102-408, 106 Stat. 2011-2022 (42 U.S.C. 292q-292y).

SOURCE: 44 FR 29055, May 18, 1979, unless otherwise noted.

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Subparts A-B [Reserved]

Subpart C—Health Professions Student Loans

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended, 63 Stat. 35 (42 U.S.C. 216); secs. 740-747 of the Public Health Service Act, 77 Stat. 170-173, as amended by 90 Stat. 2266-2268, 91 Stat. 390-391, 95 Stat. 920, 99 Stat. 532-536, and 102 Stat. 3125 (42 U.S.C. 294m-q); renumbered as secs.

§ 57.201 Applicability.

The regulations of this subpart apply to the federal capital contributions made by the Secretary to public or other nonprofit health professions schools for the establishment of health professions student loan funds and to loans made to students by schools from these funds.

§ 57.202 Definitions.

As used in this subpart:

Act means the Public Health Service Act, as amended.

Date upon which a student ceases to be a full-time student means the first day of the month which is nearest to the date upon which an individual ceases to be a full-time student as defined in this section.

Default means the failure of a borrower of a loan made under this subpart to make an installment payment when due, or comply with any other term of the promissory note for such loan, except that a loan made under this subpart shall not be considered to be in default if the loan is discharged in bankruptcy, the borrower's repayment schedule has been renegotiated and the borrower is complying with the renegotiated schedule, or the loan is in forbearance.

Federal capital loan means a loan made by the Secretary to a school under section 744(a) of the Act, as in effect prior to October 1, 1977, the proceeds of which are to be returned to the Secretary.

Full-time student means a student who is enrolled in a health professions school and pursuing a course of study which is a full-time academic workload, as determined by the school, leading to a degree specified in section 722(b) of the Act.

Grace period means the period of 1 year beginning on the date upon which a student ceases to be a full-time student at a school of medicine, osteopathic medicine, dentistry, pharmacy, podiatric medicine, optometry, or veterinary medicine.

Health professions school or school, for purposes of this subpart, means a public or private nonprofit school of medicine, school of dentistry, school of osteopathic medicine, school of pharmacy, school of podiatric medicine, school of optometry, or school of veterinary medicine as defined in section 799(l)(A) of the Act.

Health professions student loan means the amount of money advanced to a student by a school from a health professions student loan fund under a properly executed promissory note.

Institutional capital contribution means the money provided by a school, in an amount not less than one-ninth of the federal capital contribution, and deposited in a health professions student loan fund.

National of the United States means: (1) A citizen of the United States, or (2) a person who, though not a citizen of the United States, owes permanent allegiance to the United States, as defined in the Immigration and Nationality Act, at 8 U.S.C. section 1101(a)(22).

School year means the traditional approximately 9-month September to June annual session. For the purpose of computing school year equivalents for students who, during a 12-month period, attend for a longer period than the traditional school year, the school year will be considered to be 9 months in length.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

[44 FR 29055, May 18, 1979, as amended at 52 FR 20987, June 3, 1987; 53 FR 46549, Nov. 17, 1988; 56 FR 19293, Apr. 26, 1991; 56 FR 25446, June 4, 1991; 61 FR 6123, Feb. 16, 1996]

§ 57.203 Application by school.

(a) Each school seeking a Federal capital contribution must submit an application at the time and in the form and manner that the Secretary may require. The application must be signed by an individual authorized to act for the applicant and to assume on behalf of the applicant the obligations imposed by the statute, the regulations of this subpart, and the terms and conditions of the award.

(b) Each application will be reviewed to determine eligibility and the reasonableness of the amount of Federal support requested. The Secretary may require the applicant to submit additional data for this purpose.

(c) An application will not be approved unless an agreement between the Secretary and the applicant school for a Federal capital contribution under section 721 of the Act is reached.

[44 FR 29055, May 18, 1979, as amended at 49 FR 38112, Sept. 27, 1984; 56 FR 19293, Apr. 26, 1991; 57 FR 45734, Oct. 5, 1992; 61 FR 6123, Feb. 16, 1996]

§ 57.204 Payment of Federal capital contributions and reallocation of funds remitted to the Secretary.

(a) *Annual payment.* The Secretary will make payments to each school with which he or she has entered into an agreement under the Act at a time determined by him or her. If the total of the amounts requested for any fiscal year by all schools for Federal capital contributions exceeds the amount of Federal funds determined by the Secretary at the time of payment to be available for this purpose, the payment to each school will be reduced to whichever is smaller:

(1) The amount requested in the application, or

(2) An amount which bears the same ratio to the total amount of Federal funds determined by the Secretary at the time of payment to be available for that fiscal year for the Health Professions Student Loan Program as the number of full-time students estimated by the Secretary to be enrolled in that school bears to the estimated total number of full-time students in all participating schools during that year. Amounts remaining after these payments are made will be distributed in

accordance with this paragraph among schools whose applications requested more than the amount paid to them, but with whatever adjustments that may be necessary to prevent the total paid to any school from exceeding the total requested by it.

(b) *Method of payment.* The payment of Federal capital contributions to a school will be paid in a manner that avoids unnecessary accumulations of money in any health professions student loan fund.

(c) *Reallocation of funds remitted to the Secretary.* All funds from a student loan fund established under this subpart which are remitted to the Secretary in any fiscal year shall be available for allotment under this subpart, in the same fiscal year and the succeeding fiscal year, to schools which, during the period beginning on July 1, 1972, and ending on September 30, 1985, established student loan funds with Federal capital contributions under this subpart. The Secretary will from time to time set dates by which the schools must file applications to receive a portion of these funds. If the total of the amounts requested for any fiscal year by eligible schools exceeds the amount of funds determined by the Secretary at the time of payment to be available for this purpose, the payment to each school will be reduced to whichever is smaller:

(1) The amount requested in the application, or

(2) An amount which bears the same ratio to the total amount of returned funds determined by the Secretary at the time of payment to be available for that fiscal year for the Health Professions Student Loan program as the number of full-time students estimated by the Secretary to be enrolled in that school bears to the estimated total number of full-time students in all eligible schools during that year.

Amounts remaining after these payments are made will be distributed in accordance with this paragraph among schools whose applications requested more than the amount paid to them, with whatever adjustments may be necessary to prevent the total paid to

any school from exceeding the total requested by it.

[44 FR 29055, May 18, 1979, as amended at 53 FR 46549, Nov. 17, 1988; 56 FR 19293, Apr. 26, 1991]

§ 57.205 Health professions student loan funds.

(a) *Funds established with Federal capital contributions.* Any fund established by a school with Federal capital contributions will be accounted for separately from other funds, providing a clear audit trail for all transactions. At all times the fund must contain monies representing the institutional capital contribution. The school must at all times maintain all monies relating to the fund in one or more interest-bearing accounts or investment instruments which meet OMB requirements established for Federal monies held by third parties. The school must place all earnings into the fund but may first deduct from total earnings any reasonable and customary charges incurred through the use of an interest-bearing account. An institution shall exercise the level of care required of a fiduciary with regard to these deposits and investments, and shall be responsible for reimbursing the fund for any losses that occur due to the use of investments that are not federally insured.

(1) The Federal capital contribution fund is to be used by the school only for:

(i) Health professions student loans to full-time students;

(ii) Capital distribution as provided in section 728 of the Act or as agreed to by the school and the Secretary; and

(iii) Costs of litigation, costs associated with membership in credit bureaus, and to the extent specifically approved by the Secretary, other collection costs that exceed the usual expenses incurred in the collection of health professions student loans.

(2) A school must review the balance in the fund on at least a semi-annual basis to determine whether the fund balance compared with projected levels of expenditures and collections exceeds its needs. A school in closing status must review the balance in the fund on a quarterly basis. Monies identified as in excess of the school's needs must be

reported, and the Federal share returned to the Federal Government, by the due date of the required report which identifies the excess monies. The school's determination is subject to the review and approval of the Secretary.

(b) *Funds established with Federal capital loans.* (1) Each Federal capital loan is subject to the terms of the promissory note executed by an authorized official on behalf of the borrowing school.

(2) The Federal capital loans must be carried in a special account of the school, to be used by the school only for (i) repayments of principal and interest on Federal capital loans; and (ii) costs of litigation; costs associated with membership in credit bureaus; and, to the extent specifically approved by the Secretary, other collection costs that exceed the usual expenses incurred in the collection of health professions student loans.

(c) Failure to comply with the requirements of this section will subject a school to the noncompliance provisions of § 57.218 and the Department's Claims Collections regulations (45 CFR part 30), as appropriate.

(Approved by the Office of Management and Budget under control number 0915–0047)

[44 FR 29055, May 18, 1979, as amended at 48 FR 25069, June 3, 1983; 56 FR 40725, Aug. 15, 1991; 61 FR 6123, Feb. 16, 1996]

§ 57.206 Eligibility and selection of health professions student loan applicants.

(a) *Determination of eligibility.* (1) Applicants are eligible for consideration for a health professions student loan if they are:

(i) Residents of the United States and either a citizen or national of the United States, an alien lawfully admitted for permanent residence in the United States, a citizen of the Commonwealth of the Northern Mariana Islands, a citizen of the Republic of Palau, a citizen of the Republic of the Marshall Islands, or a citizen of the Federated States of Micronesia;

(ii) Enrolled, or accepted for enrollment in the school as full-time students;

(iii) In need of the amount of the loan to pursue a full-time course of study at the school;

(iv) Of exceptional financial need in the case of students of medicine or osteopathic medicine. A student will be considered to demonstrate exceptional financial need if the school determines that his or her resources, as described in paragraph (b)(1) of this section, do not exceed the lesser of \$6,700 or one-half of the costs of attendance at the school. Summer earnings, educational loans, veterans (G.I.) benefits and earnings during the school year will not be considered as resources in determining whether an applicant meets the eligibility criteria for exceptional financial need, but will be considered in determining the amount of funds a student may receive; and

(v) In compliance with the requirement to register for the draft, if required to do so under section 3 of the Military Selective Service Act.

(2) An applicant who has previously attended an institution of higher education must submit a financial aid transcript which includes at least the following data:

(i) Applicant's name and social security number;

(ii) Amounts and sources of loans and grants previously received by the applicant for study at an institution of higher education;

(iii) Whether the applicant is in default on any of these loans, or owes a refund on any grants;

(iv) Certification from each institution previously attended by the applicant that the applicant has received no financial aid, if applicable; and

(v) From each institution previously attended, the signature of an official authorized by the institution to sign such transcripts on behalf of the institution.

(b) *Selection of applicants.* The school will select qualified applicants, including medical (M.D. and D.O.) applicants, and determine the amount of student loans by considering:

(1) The financial resources available to the student by using one of the national need analysis systems or any other procedure approved by the Secretary of Education in combination with other information which the school has regarding the student's financial status. The school must take

into account, regardless of the tax status of the student, the expected contribution from parents, spouse, self or other family members; and

(2) The costs reasonably necessary for the student's attendance at the school, including any special needs and obligations which directly affect the student's ability to attend the school on a full-time basis. The school must document the criteria used for determining these costs.

(c) *Selection of medical (M.D. and D.O.) student applicants.* In addition to the factors in § 57.206(b), the school must select medical (M.D. and D.O.) students graduating after June 30, 1979, based on the order of greatest need, taking into consideration the other resources available to the student through the school. For purposes of establishing priority for selecting medical (M.D. and D.O.) student applicants to receive health professions student loans, summer earnings, educational loans, veterans (G.I.) benefits, and earnings during the school year will be considered as financial resources.

(d) *Verification of loan information.* The school must verify, to the best of its ability, the information provided by the student on the loan application. To comply with this requirement, a school may require that a student provide, for example: Photocopies of the parents', student's, and spouse's Federal income tax forms with original signatures for the most recent tax year (or certification that no Federal income tax return was filed); tax returns that are certified as having been received by the Internal Revenue Service; or other documentation that the school considers necessary to help assure that information on the loan application is correct.

(Approved by the Office of Management and Budget under control number 0915-0047)

[44 FR 32698, June 7, 1979, as amended at 48 FR 25069, June 3, 1983; 49 FR 38112, Sept. 27, 1984; 52 FR 20987, June 3, 1987; 53 FR 46549, Nov. 17, 1988; 56 FR 19293, Apr. 26, 1991; 61 FR 6123, Feb. 16, 1996]

§ 57.207 Maximum amount of health professions student loans.

The total of the health professions student loans made from the fund to any student for a school year may not exceed \$2,500 and the cost of tuition.

The maximum amount loaned during a 12-month period to any student enrolled in a school which provides a course of study longer than the 9-month school year may be proportionately increased.

§ 57.208 Health professions student loan promissory note and disclosure requirements.

(a) *Promissory note form.* Each health professions student loan must be evidenced by a properly executed promissory note in a form approved by the Secretary. The school must safeguard the promissory note against fire, theft, and tampering.

(1) Each promissory note must state that the loan will bear interest on the unpaid balance computed only for periods during which repayment of the loan is required, at the rate of 5 percent per year.

(2) Each promissory note must contain an acceleration clause provided by the Secretary, which will permit the acceleration of delinquent loans at the school's option.

(3) A copy of each executed note must be supplied by the school to the student borrower.

(b) *Security.* A school must require security or endorsement if the borrower is a minor and if, under the applicable State law, the note signed by him or her would not create a binding obligation. The school may not require security or endorsement in any other circumstances.

(c) *Disclosure requirements.* (1) For any loan made after June 30, 1986, the school shall, at the time the loan is made, provide the following loan information to the student:

(i) The yearly and cumulative maximum amounts that may be borrowed by the student;

(ii) The terms under which repayment of the loan will begin;

(iii) The maximum number of years in which the loan must be repaid;

(iv) The interest rate that will be paid by the borrower and the minimum amount of the required monthly payment;

(v) The amount of any other fees charged to the borrower by the lender;

(vi) Any options the borrower may have for deferral, cancellation, prepayment, consolidation, or other refinancing of the loan;

(vii) A definition of default on the loan and a specification of the consequences which will result to the borrower if the borrower defaults, including a description of any arrangements which may be made with credit bureau organizations;

(viii) To the extent practicable, the effect of accepting the loan on the eligibility of the borrower for other forms of student assistance; and

(ix) A description of the actions that may be taken by the Federal Government to collect the loan, including a description of the type of information concerning the borrower that the Federal Government may disclose to:

(A) Officers, employees, or agents of the Department of Health and Human Services,

(B) Officers, employees, or agents of schools with which the Secretary has an agreement under this subpart, or

(C) Any other person involved in the collection of a loan under this subpart.

(2) For any loan made after June 30, 1986, the school shall, prior to the borrower's completion or termination of studies at the school, provide the following loan information to the student:

(i) Each amount borrowed by the student under this subpart;

(ii) The total amount borrowed by the student under this subpart; and

(iii) A schedule for the repayment of the amounts borrowed under this subpart, including the number, amount, and frequency of payments to be made.

(3) In addition to the requirements set forth in paragraphs (c)(1) and (c)(2) of this section, the school must comply with the applicable requirements of Truth in Lending Regulation Z (12 CFR part 226).

(Approved by the Office of Management and Budget under control number 0915-0047)

[44 FR 29055, May 18, 1979, as amended at 48 FR 25069, June 3, 1983; 50 FR 34420, Aug. 23, 1985; 52 FR 20987, June 3, 1987; 56 FR 19293, Apr. 26, 1991; 57 FR 45734, Oct. 5, 1992]

§ 57.209 Payment of health professions student loans.

(a) Health professions student loans from any fund may be paid to or on behalf of student borrowers in installments considered appropriate by the school except that a school may not pay to or on behalf of any borrower more during any given installment period (e.g., semester, term, or quarter) than the school determines the student needs for that period.

(b) No payment may be made from a fund to or on behalf of any student borrower if at the time of the payment the borrower is not a full-time student.

§ 57.210 Repayment and collection of health professions student loans.

(a) Each health professions student loan, including accrued interests, will be repayable in equal or graduated periodic installments in amounts calculated on the basis of a 10-year repayment period. Except as otherwise provided in this paragraph, repayment of a loan must begin one year after the student ceases to be a full-time student.

(1) If a borrower reenters the same or another school as a full-time student within the 1-year period, the date upon which interest will accrue and the repayment period will begin will be determined by the date on which the student last ceases to be a full-time student at that school.

(2) The following periods will be excluded from the 10-year repayment period:

(i) All periods for up to a total of 3 years of active duty performed by the borrower as a member of the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration Corps or the U.S. Public Health Service Corps;

(ii) All periods for up to a total of 3 years of service as a volunteer under the Peace Corps Act;

(iii) All periods of advanced professional training including internships and residencies, except as specified in paragraph (a)(2)(vi) of this section;

(iv) All periods during which the borrower is pursuing a full-time course of study at an eligible health professions school;

(v) A period not in excess of 2 years during which a borrower who is a full-

time student in a health professions school leaves the school, with the intent to return to such school as a full-time student, to engage in a full-time educational activity which is directly related to the health profession for which the individual is preparing. To qualify for such deferment, the full-time educational activity must be one which:

(A) Is part of a joint-degree program or a formal program of joint study in conjunction with the health profession for which the borrower is preparing at the school; or

(B) Is an activity which will enhance the borrower's knowledge and skills in the health profession for which the borrower is preparing at the school, as determined by the school.

The borrower must request such deferment from the school in which he or she is enrolled no later than 60 days prior to leaving such school to engage in the full-time educational activity. The school must then determine, no later than 30 days prior to the borrower's leaving such school, whether the borrower qualifies for such deferment. A borrower who qualifies for this type of deferment receives the grace period upon completion or termination of his or her studies leading to the first professional degree in the health discipline being pursued. If the borrower fails to return to school, the school retroactively must begin the borrower's grace period based on the date the borrower terminated his or her studies at the school, and must begin the repayment period immediately following the end of the grace period; and

(vi) A period not in excess of 2 years during which a borrower who is a graduate of a health professions school participates in:

(A) A fellowship training program which is directly related to the health profession for which the borrower prepared at the school, as determined by the school from which the borrower received his or her loan, and is engaged in by the borrower no later than 12 months after the completion of the borrower's participation in advanced professional training as described in paragraph (a)(2)(iii) of this section, or prior to the completion of such bor-

rower's participation in such training. To qualify for such deferment, the fellowship training program must be one which:

(1) Is a full-time activity in research or research training or in health care policy; and

(2) Is a formally established fellowship program which was not created for a specific individual; or

(B) A full-time educational activity which is directly related to the health profession for which the borrower prepared at the school, as determined by the school from which the borrower received his or her loan, and is engaged in by the borrower no later than 12 months after the completion of the borrower's participation in advanced professional training as described in paragraph (a)(2)(iii) of this section, or prior to the completion of the borrower's participation in such training. To qualify for such deferment, the full-time educational activity must be one which:

(1) Is part of a joint-degree program in conjunction with the health profession for which the borrower prepared at the school; or

(2) Is required for licensure, registration, or certification in the health profession for which the borrower received the HPSL loan; or

(3) Is a full-time educational program in public health, health administration, or a health care discipline directly related to the health profession for which the borrower received the loan.

(3) To receive a deferment, a borrower must, no later than 30 days prior to the onset of the activity (or no later than 30 days prior to the due date of the first payment if the borrower begins the activity during the grace period), and annually thereafter, provide the lending school with evidence of his or her status in the deferrable activity, and evidence that verifies deferment eligibility of the activity. This evidence must include certification by the Program Director or other authorized official that the borrower's activity meets the deferment requirements. The borrower must also notify the school upon completion or termination of the activity. It is the responsibility of the borrower to provide the lending school

with all required information or other information regarding the requested deferment. The school may deny a request for deferment if it is not filed in accordance with the requirements of this section.

(4) Subject to the provisions of paragraph (b)(3) of this section, a borrower must establish a repayment schedule with the school providing for payments not less often than quarterly. Any borrower whose repayment is delinquent more than 60 days must establish a monthly repayment schedule with the school. However, a borrower may at his or her option and without penalty, prepay all or part of the principal and accrued interest at any time.

(5) A school may grant forbearance whenever extraordinary circumstances such as unemployment, poor health or other personal problems temporarily affect the borrower's ability to make scheduled loan repayments.

(b)(1) Each school at which a fund is established must exercise due diligence in the collection of health professions student loans due the fund. In the exercise of due diligence, a school must follow procedures which are at least as extensive and effective as those used in the collection of other student loan accounts due the school, and must use the steps outlined below in accordance with collection practices which are generally accepted among institutions of higher education:

(i) Conduct and document an entrance interview (individually or in groups) with the borrower prior to disbursing HPSL funds in an academic year. During the entrance interview the school must obtain documentation which indicates that the borrower is aware of the rights and responsibilities associated with HPSL funds and personal information which would assist in locating the borrower if he or she fails to keep the school informed of his or her current address. The requirements of this subparagraph may be met by correspondence, if the school determines that a face-to-face meeting (individually or in groups) is impracticable.

(ii) Conduct and document an exit interview (individually or in groups) with the borrower. During the exit interview, the school must provide

each borrower with information necessary to carry out the terms of repayment, remind the borrower of the rights and responsibilities associated with HPSL funds, and update the personal information collected prior to disbursing HPSL funds which would assist in locating the borrower if he or she fails to keep the school informed of his or her current address. If the borrower terminates studies without advance notice, the school must document attempts to inform the borrower of the substance of the exit interview and to secure exit interview information from the borrower by mail.

(iii) Notify the borrower in writing of the impending repayment obligation at least twice during the grace period;

(iv) Notify a borrower who is in deferment status in writing of the impending repayment obligation 1 to 3 months prior to the expiration of the approved period of deferment;

(v) Perform regular billing;

(vi) Follow up past due payments with a series of at least four documented and reasonably spaced attempts to contact the borrower, at least three of which must be in writing at not more than 30-day intervals, prior to the loan becoming 120 days past due, provided that the school has a current address for the borrower;

(vii) Perform address searches when necessary;

(viii) Use collection agents, which may include the use of an internal collection agent;

(ix) Institute legal proceedings against borrowers after all other attempts at collection have failed, unless the school determines, subject to the approval of the Secretary, that such litigation would not be cost-effective; and

(x) Become a member of a credit bureau and notify the credit bureau of accounts past due by more than 120 days.

In place of one or more of the procedures outlined above schools may substitute collection techniques that are equally or more effective, but only after they have demonstrated the effectiveness of the techniques and obtained written approval from the Secretary.

(2) *Late charge.* (i) For any health professions student loan made after June 30, 1969, but prior to October 22,

1985, the school may fix a charge for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment under section 722(c) of the Act for any failure to file timely and satisfactory evidence of the entitlement. The amount of the charge may not exceed \$1 for the first month or part of a month by which the installment or evidence is late and \$2 for each succeeding month or part of a month. The school may elect to add the amount of this charge to the principal amount of the loan as of the day after the day on which the installment or evidence was due, or to make the amount of the charge payable to the school no later than the due date of the next installment following receipt of the notice of the charge by the borrower.

(ii) For any health professions student loan made on or after October 22, 1985, the school shall assess a charge for failure of the borrower to pay all or any part of an installment when the loan is more than 60 days past due and, in the case of a borrower who is entitled to deferment under section 722(c) of the Act, for any failure to file satisfactory evidence of the entitlement within 60 days of the date payment would otherwise be due. No charge may be made if the loan is less than 61 days past due. The amount of this charge may not exceed an amount equal to 6 percent of the amount due at the time the charge is calculated. The school may elect to add the amount of this charge to the principal amount of the loan as of the day on which the charge is calculated, or to make the amount of the charge payable to the school no later than the due date of the next installment following receipt of the notice of the charge by the borrower.

(3) With respect to any health professions student loan made after June 30, 1969, the school may require the borrower to make payments of at least \$15 per month on all outstanding health professions student loans during the repayment period.

(4) A school must, on an annual basis, review and assess the collectibility of any loan more than 3 years past due. If the school determines that the prospects of future collection are promising

enough to justify periodic review of the debt, and neither the statute of limitations nor the 10-year repayment period has expired, the school may retain the account for continued collections, provided that it makes an attempt at least semi-annually to collect from the borrower. When the due diligence procedures required by paragraph (b)(1) of this section have been exhausted, the school is responsible for determining the collection methods it will use for the semi-annual collection effort required on these loans. If the school determines that the prospects of future collection are not promising, or when the statute of limitations or the 10-year repayment period has expired, the loan must be considered uncollectible. A school may determine a loan to be uncollectible sooner than 3 years past due when it has evidence that the loan cannot be collected, but in no case should a school consider a loan as uncollectible if it has not been in default for a least 120 days. A school is not subject to the requirements in paragraphs (b)(4) (i) and (iii) of this section for loans that became uncollectible, as determined by the school, before August 1, 1985.

(i) A school must request permission to write off an uncollectible loan within 30 days of the determination that it is uncollectible or reimburse the fund in the full amount of the loan, pursuant to § 57.210(b)(4)(iii). The 30-day period for submitting the loan for write-off review begins on the date that the determination of uncollectibility is made, in accordance with paragraph (b)(4) of this section. In any instance where the Secretary determines that a school has failed to exercise due diligence in the collection of a loan, in accordance with the applicable regulatory requirements, the school will be required to place in the fund the full amount of principal, interest, and penalty charges that remains uncollected on the loan. Reimbursement must be made by the following June 30 or December 31, whichever is sooner, except that in no case will a school be required to reimburse the fund in less than 30 days following the Secretary's disapproval of the request for write-off approval.

(ii) If the Secretary determines that a school has exercised due diligence in the collection of a loan, in accordance with the applicable regulatory requirements, or if the school determines that the loan was uncollectible prior to August 1, 1985, the school will be permitted to reduce its accounts receivable for the HPSL fund by the full amount of principal, interest, and penalty charges that remains uncollected on that loan and will not be required to return the Federal share of the loss to the Secretary.

(iii) If a school does not request permission to write off an uncollectible loan within the required timeframe, it must reimburse the fund for the full amount of principal, interest, and penalty charges that remains uncollected on that loan. This reimbursement must be made by the following June 30 or December 31, whichever is sooner, except that in no case will a school be required to reimburse the fund in less than 30 days following its determination that a loan is uncollectible.

(iv) Failure to comply with the requirement of this section will subject a school to the noncompliance provisions of § 57.218 and the Department's Claims Collection regulations (45 CFR part 30), as appropriate.

(5) *Disclosure of taxpayer identity information.* Upon written request by the Secretary, the Secretary of the Internal Revenue Service (IRS) may disclose the address of any taxpayer who has defaulted on a health professions student loan, for use only by officers, employees, or agents of the Department, to locate the defaulted borrower to collect the loan. Any such mailing address may be disclosed by the Secretary to any school from which the defaulted borrower received a health professions student loan, for use only by officers, employees, or agents of the school whose duties relate to the collection of health professions student loan funds, to locate the defaulted borrower to collect the loan. Any school which requests and obtains this address information must comply with the requirements of the Secretary and the IRS re-

garding the safeguarding and proper handling of this information.

(Approved by the Office of Management and Budget under control number 0915–0047)

[44 FR 29055, May 18, 1979, as amended at 48 FR 25069, June 3, 1983; 49 FR 38112, Sept. 27, 1984; 50 FR 34420, Aug. 23, 1985; 52 FR 20988, June 3, 1987; 53 FR 6092, Feb. 29, 1988; 56 FR 19293, Apr. 26, 1991; 56 FR 40726, Aug. 15, 1991; 57 FR 45734, Oct. 5, 1992; 61 FR 6123, Feb. 16, 1996]

§ 57.211 Cancellation of health professions students loans for disability or death.

(a) *Permanent and total disability.* The Secretary will cancel a student borrower's indebtedness in accordance with section 722(d) of the Act if the borrower is found to be permanently and totally disabled on recommendation of the school and as supported by whatever medical certification the Secretary may require. A borrower is totally and permanently disabled if he or she is unable to engage in any substantial gainful activity because of a medically determinable impairment, which the Secretary expects to continue for a long time or to result in death.

(b) *Death.* The Secretary will cancel a student borrower's indebtedness in accordance with section 722(d) of the Act upon the death of the borrower. The school to which the borrower was indebted must secure a certification of death or whatever official proof is conclusive under State law.

(Approved by the Office of Management and Budget under control number 0915–0047)

[44 FR 29055, May 18, 1979, as amended at 56 FR 19293, Apr. 26, 1991; 61 FR 6123, Feb. 16, 1996]

§ 57.212 [Reserved]

§ 57.213 Continuation of provisions for cancellation of loans made prior to November 18, 1971.

Individuals who received health professions student loans as students of medicine, osteopathic medicine, dentistry or optometry prior to November 18, 1971, may still receive cancellation of these loans for practicing in a shortage area or for practicing in a rural shortage area characterized by low family income. The regulations set

forth in 42 CFR 57.215(b) (1976), as adopted on February 7, 1974 remain applicable to cancellation on this basis. The provisions can be found at 39 FR 4774 (February 7, 1974) and a copy can be obtained by writing to the Division of Student Assistance, Bureau of Health Professions, Room 8-34, Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857.

[49 FR 38112, Sept. 27, 1984, as amended at 56 FR 19294, Apr. 26, 1991]

§ 57.213a Loan cancellation reimbursement.

(a) For loans made prior to October 22, 1985, in the event that insufficient funds are available to the Secretary in any fiscal year to enable him or her to pay to all schools their proportionate shares of all loans and interest canceled under this subpart for practice in a shortage area, death, or disability:

(1) Each school will be paid an amount bearing the same ratio to the total of the funds available for that purpose as the principal of loans canceled by that school in that fiscal year bears to the total principal of loans canceled by all schools in that year; and

(2) Any additional amounts to which a school is entitled will be paid by the Secretary at the time of distribution of the assets of the school's Fund under section 728 of the Act.

(b) For loans made on or after October 22, 1985, a school may assess the borrower a charge to insure against the loss of the institutional share of a loan canceled due to the borrower's death or permanent and total disability. The school must develop annually a rate which reflects its cancellation experience. This charge shall not exceed .6 percent of the loan amount. Funds collected under this provision must be maintained by the school in an insured, interest-bearing account (with any earned interest credited to this insurance fund), and used only to reimburse the school for the institutional share of any HPSL loan made on or after October 22, 1985, that is canceled due to the borrower's death or permanent and total disability. A school is not required to establish a separate bank ac-

count, but is required to maintain separate accountability.

[53 FR 46549, Nov. 17, 1988, as amended at 56 FR 19294, Apr. 26, 1991; 57 FR 45734, Oct. 5, 1992; 61 FR 6123, Feb. 16, 1996]

§ 57.214 Repayment of loans made after November 17, 1971, for failure to complete a program of study.

In the event that the Secretary undertakes to repay educational loans under section 722(k) of the Act, he or she will use the following criteria to make a determination as to each applicant's eligibility:

(a) An applicant will be considered to have failed to complete the course of study leading to the first professional degree for which an eligible education loan was made upon certification by a health professions school that the individual ceased to be enrolled in the school subsequent to November 17, 1971;

(b) An applicant will be considered to be in exceptionally needy circumstances if, upon comparison of the income and other financial resources of the applicant with his or her expenses and financial obligations, the Secretary determines that repayment of the loan would constitute a serious economic burden on the applicant. In making this determination, the Secretary will take into consideration the applicant's net financial assets, his or her potential earning capacity, and the relationship of the income available to the applicant to the low-income levels published annually by the Secretary under paragraph (c) of this section;

(c) An applicant will be considered to be from a low-income family if the applicant comes from a family with an annual income below a level based on low-income thresholds according to family size published by the U.S. Bureau of the Census, adjusted annually for changes in the Consumer Price Index, and adjusted by the Secretary for use in this program, and the family has no substantial net financial assets. Income levels as adjusted will be published annually by the Secretary in the FEDERAL REGISTER.

(d) An applicant will be considered to be from a disadvantaged family if the individual comes from a family in which the annual income minus unusual expenses which contribute to the

economic burdens borne by the family does not exceed the low-income levels published by the Secretary under paragraph (c) of this section and the family has no substantial net financial assets;

(e) An applicant will be considered as not having resumed his or her health professions studies within two years following the date the individual ceased to be a student upon a certification so stating from the applicant; and

(f) An applicant will be considered as not reasonably expected to resume his or her health professions studies within two years following the date upon which he or she terminated these studies, based upon consideration of the reasons for the applicant's failure to complete these studies, taking into account such factors as academic, medical, or financial difficulties.

The Secretary will only repay education loans made subsequent to November 17, 1971.

[44 FR 29055, May 18, 1979, as amended at 61 FR 6123, Feb. 16, 1996; 61 FR 9532, Mar. 8, 1996]

§ 57.215 Records, reports, inspection, and audit.

(a) Each Federal capital contribution and Federal capital loan is subject to the condition that the school must maintain those records and file with the Secretary those reports relating to the operation of its health professions student loan funds as the Secretary may find necessary to carry out the purposes of the Act and these regulations. A school must submit required reports to the Secretary within 45 days of the close of the reporting period.

(1) A school which fails to submit a required report for its Federal capital contribution fund within 45 days of the close of the reporting period:

(i) Shall be prohibited from receiving new Federal capital contributions;

(ii) Must place the revolving fund and all subsequent collections in an insured interest-bearing account; and

(iii) May make no loan disbursements.

The above restrictions apply until the Secretary determines that the school is in compliance with the reporting requirement.

(2) A school that fails to submit a complete report within 6 months of the close of the reporting period will be subject to termination. The Secretary will provide the school with a written notice specifying his or her intention to terminate the school's participation in the program and stating that the school may request, within 30 days of the receipt of this notice, a formal hearing. If the school requests a hearing, it must within 90 days of the receipt of the notice, submit material, factual issues in dispute to demonstrate that there is cause for a hearing. These issues must be both substantive and relevant. The hearing will be held in the Washington, DC metropolitan area. The Secretary will deny a hearing if:

(i) The request for a hearing is untimely (i.e., fails to meet the 30-day requirement);

(ii) The school does not provide a statement of material, factual issues in dispute within the 90-day required period; or

(iii) The statement of factual issues in dispute is frivolous or inconsequential.

In the event that the Secretary denies a hearing, the Secretary will send a written denial to the school setting forth the reasons for denial. If a hearing is denied, or if as a result of the hearing, termination is still determined to be necessary, the school will be terminated from participation in the program and will be required to return the Federal share of the revolving fund to the Department. A school terminated for failure to submit a complete report within 6 months of the close of the reporting period must continue to pursue collections and may re-apply for participation in the program once it has submitted the overdue report.

(3) The school must also comply with the requirements of 45 CFR part 74 and section 798(e) of the Act concerning recordkeeping, audit, and inspection.

(b) The following student records must be retained by the school for 5 years after an individual student ceases to be a full-time student:

(1) Approved student applications for health professions student loans;

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(2) Documentation of the financial need of applicants; and

(3) Copy of financial aid transcript(s).

(c) The following repayment records for each individual borrower must be retained for at least 5 years from the date of retirement of a loan:

(1) The amount and date of each loan;

(2) The amount and date of each payment or cancellation;

(3) Records of periods of deferment;

(4) Date, nature and result of each contact with the borrower or proper endorser in the collection of an overdue loan;

(5) Copies of all correspondence to or from the borrower and endorser;

(6) Copies of all correspondence with collection agents related to the individual borrower;

(7) Copies of all correspondence with a credit bureau related to an individual borrower; and

(8) Copies of all correspondence relating to uncollectible loans which have been written off by the Federal Government or repaid by the school.

(d) The school must also retain other records as the Secretary may prescribe. In all cases where questions have arisen as a result of a Federal audit, the records must be retained until resolution of all questions.

(e) Institutional officials who have information which indicates the potential or actual commission of fraud or other offenses against the United States, involving these loan funds, should promptly provide this information to the appropriate Regional Office of Inspector General for Investigations.

(Approved by the Office of Management and Budget under control number 0915-0047)

[48 FR 25070, June 3, 1983, as amended at 50 FR 34421, Aug. 23, 1985; 53 FR 46549, Nov. 17, 1988; 56 FR 19294, Apr. 26, 1991; 57 FR 45734, Oct. 5, 1992; 61 FR 6123, Feb. 16, 1996]

§57.216 What additional Department regulations apply to schools?

(a) Participating schools are advised that in addition to complying with the terms and conditions of these regulations, several other regulations apply under this subpart. These include, but are not limited to:

45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Gov-

ernmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in Health and Human Services programs or activities receiving Federal financial assistance

45 CFR part 93—New Restrictions on Lobbying

(b) The recipient may not discriminate on the basis of religion in the admission of individuals to its training programs.

[44 FR 29055, May 18, 1979, as amended at 56 FR 19294, Apr. 26, 1991; 57 FR 45734, Oct. 5, 1992; 61 FR 6123, Feb. 16, 1996]

§57.216a Performance standard.

On June 30, 1984, and on each June 30 thereafter, except as provided in paragraph (b) of this section, each school must have a default rate (as calculated under paragraph (a) of this section) of not more than 5 percent.

(a) The default rate for each school shall be the ratio (stated as a percentage) that the defaulted principal amount outstanding of the school bears to the matured loans of the school. For this purpose:

(1) The term *defaulted principal amount outstanding* means the total amount borrowed from the loan fund of a school that has reached the repayment stage (minus any principal amount repaid or canceled) on loans in default for more than 120 days; and

(2) The term *matured loans* means the total principal amount of all loans made by a school under this subpart minus the total principal amount of loans made by the school to students who are:

(i) Enrolled in a full-time course of study at the school; or

(ii) In their grace period.

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(b) Any school that has a default rate greater than 5 percent on June 30 of any year will be required to:

(1) Reduce its default rate by 50 percent (or a school with a default rate below 10 percent must reduce its rate to 5 percent) by the close of the following 6-month period; and

(2) By the end of each succeeding 6-month period, reduce its default rate to 50 percent of the required rate for the previous 6-month period, until it reaches 5 percent.

(c) Any school subject to the provisions of paragraph (b) of this section which fails to comply with those requirements will receive no new HPSL funds and will be required to:

(1) Place the revolving fund monies and all subsequent collections into an insured interest-bearing account;

(2) Make no loan disbursements; and

(3) By the end of the succeeding 6-month period, reduce its default rate to 50 percent of the rate it failed to achieve under paragraph (b) of this section, or 5 percent. A school that meets this requirement will be permitted to resume the use of its health professions student loan funds, but must continue to comply with the requirements of paragraph (b)(2) of this section if its default rate is still greater than 5 percent.

(d) Any school subject to the provisions of paragraph (c)(3) of this section which fails to comply with those requirements will be subject to termination. The Secretary will provide the school with a written notice specifying his or her intention to terminate the school's participation in the program and stating that the school may request, within 30 days of the receipt of this notice, a formal hearing. If the school requests a hearing, it must within 90 days of the receipt of the notice, submit material, factual issues in dispute to demonstrate that there is cause for a hearing. These issues must be both substantive and relevant. The hearing will be held in the Washington, DC metropolitan area. The Secretary will deny a hearing if:

(1) The request for a hearing is untimely (i.e., fails to meet the 30-day requirement);

(2) The school does not provide a statement of material, factual issues in

dispute within the 90-day required period; or

(3) The statement of factual issues in dispute is frivolous or inconsequential.

In the event that the Secretary denies a hearing, the Secretary will send a written denial to the school setting forth the reasons for denial. If a hearing is denied, or if as a result of the hearing, termination is still determined to be necessary, the school will be terminated from participation in the program and will be required to return the Federal share of the revolving fund to the Department. A school terminated for failure to comply with the provisions of paragraph (c)(3) of this section must continue to pursue collections and may reapply for participation in the program only when it has attained a default rate of 5 percent or less.

(Approved by the Office of Management and Budget under control number 0915-0047)

[50 FR 34423, Aug. 23, 1985, as amended at 52 FR 20988, June 3, 1987; 53 FR 46550, Nov. 17, 1988; 56 FR 19294, Apr. 26, 1991]

§ 57.217 Additional conditions.

The Secretary may with respect to any agreement entered into with any school under § 57.205, impose additional conditions prior to or at the time of any award when in his or her judgment these conditions are necessary to assure or protect the advancement of the purposes of the agreement, the interest of the public health, or the conservation of funds awarded.

§ 57.218 Noncompliance.

Wherever the Secretary finds that a participating school has failed to comply with the applicable provisions of the Act or the regulations of this subpart, he or she may, on reasonable notice to the school, withhold further payment of Federal capital contributions, and take such other action, including the termination of any agreement, as he or she finds necessary to enforce the Act and regulations. In this case no further expenditures shall be made from the health professions student loan fund or funds involved until the Secretary determines that there is no longer any failure of compliance.

Subpart D—Nursing Student Loans

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, 67 Stat. 631 (42 U.S.C. 216); secs. 835-842 of the Public Health Service Act, 77 Stat. 913-916, as amended by 99 Stat. 397-400, 536-537, and 102 Stat. 3160-3161 (42 U.S.C. 297 a-i).

SOURCE: 50 FR 34434, Aug. 23, 1985, unless otherwise noted.

§ 57.301 Applicability.

The regulations in this subpart apply to the Federal capital contributions made by the Secretary to public or other nonprofit schools of nursing for the establishment of nursing student loan funds and to loans made to students from these funds.

§ 57.302 Definitions.

As used in this subpart:

Academic year means the traditional, approximately 9-month September to June annual session. For the purpose of computing academic year equivalents for students who, during a 12-month period, attend for a longer period than the traditional academic year, the academic year will be considered to be of 9 months' duration.

Act means the Public Health Service Act, as amended.

Community health center means an entity as defined under section 330(a) of the Public Health Service Act, and in regulations at 42 CFR 51c.102(c).

Date upon which a student ceases to be a full-time or half-time student means the first day of the month which is nearest to the date upon which an individual ceases to be a full-time or half-time student, as defined in this section.

Default means the failure of a borrower of a loan made under this subpart to make an installment payment when due, or comply with any other term of the promissory note for such loan, except that a loan made under this subpart shall not be considered to be in default if the loan is discharged in bankruptcy, the borrower's repayment schedule has been renegotiated and the borrower is complying with the renegotiated schedule, or the loan is in forbearance.

Federal capital loan means a loan made by the Secretary to a school under section 827(a) of the Act, as in ef-

fect prior to July 29, 1975, the proceeds of which are to be returned to the Secretary.

Full-time student means a student who is enrolled in a school and pursuing a course of study which constitutes a full-time academic workload, as determined by the school, leading to a diploma in nursing, an associate degree in nursing or an equivalent degree, a baccalaureate degree in nursing or an equivalent degree, or a graduate degree in nursing.

Good standing means the eligibility of a student to continue in attendance at the school where he or she is enrolled as a student in accordance with the school's standards and practices.

Grace period means the period of 9 months beginning on the date upon which a student ceases to be a full-time or half-time student at a school of nursing.

Half-time student means a student who is enrolled in a school and pursuing a course of study which constitutes at least one-half of a full-time academic workload but less than a full-time academic workload, as determined by the school, leading to a diploma in nursing, an associate degree in nursing or an equivalent degree, a baccalaureate degree in nursing or an equivalent degree, or a graduate degree in nursing.

Indian Health Service health center means a health care facility (whether operated directly by the Indian Health Service or operated by a tribal contractor or grantee under the Indian Self-Determination Act), which is physically separated from a hospital, and which provides one or more clinical treatment services, such as physician, dentist or nursing services, available at least 40 hours a week for outpatient care to persons of Indian or Alaska Native descent.

Institutional capital contribution means the money provided by a school, in an amount not less than one-ninth of the Federal capital contribution, and deposited in a nursing student loan fund.

Migrant health center means an entity as defined under section 329(a) of the Public Health Service Act, and in regulations at 42 CFR 56.102(g).

National of the United States means: (1) A citizen of the United States, or (2) a person who, though not a citizen of the United States, owes permanent allegiance to the United States, as defined in the Immigration and Nationality Act, at 8 U.S.C. 1101(a)(22).

Native Hawaiian health center means an entity (as defined in section 8 of Public Law 100–579)—

- (a) Which is organized under the laws of the State of Hawaii,
- (b) Which provides or arranges for health care services through practitioners licensed by the State of Hawaii, where licensure requirements are applicable,
- (c) Which is a public or private non-profit entity, and
- (d) In which Native Hawaiian health practitioners significantly participate in the planning, management, monitoring, and evaluation of health services.

Nursing facility means a facility as defined in section 1919(a) of the Social Security Act (SSA) (for fiscal year (FY) 1991 and subsequent fiscal years), except for FYs 1989 and 1990, the term means a “skilled nursing facility,” as such term is defined in section 1861(j) of the SSA, and an “intermediate care facility,” as such term is defined in section 1905(c) of such Act.

Nursing student loan means the amount of money advanced to a student by a school from a nursing student loan fund under a properly executed promissory note.

Registered nurse means an individual who has been licensed by a State Board of Nursing to practice professional nursing in accordance with State licensing laws requiring as a minimum one of the degrees or diplomas specified in this section.

Rural health clinic means an entity as defined under section 1861(aa)(2) of the Social Security Act, and in regulations at 42 CFR 491.2.

School means a public or other non-profit school of nursing, as defined in section 853 of the Act.

Secretary means the Secretary of Health and Human Services and any other officer or employee to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia,

the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

[50 FR 34434, Aug. 23, 1985, as amended at 52 FR 10195, Mar. 30, 1987; 53 FR 46554, Nov. 17, 1988; 56 FR 13771, Apr. 4, 1991; 61 FR 6123, Feb. 16, 1996]

§ 57.303 Application by school.

(a) Each school seeking a Federal capital contribution must submit an application at the time and in the form and manner that the Secretary may require. The application must be signed by an individual authorized to act for the applicant and to assume on behalf of the applicant the obligations imposed by the statute, the regulations of this subpart, and the terms and conditions of the award.

(b) Each application will be reviewed to determine eligibility and the reasonableness of the amount of Federal support requested. The Secretary may require the applicant to submit additional data for this purpose.

(c) An application will not be approved unless an agreement between the Secretary and the applicant school for a Federal capital contribution under section 835 of the Act is reached.

[50 FR 34434, Aug. 23, 1985, as amended at 56 FR 13771, Apr. 4, 1991; 57 FR 45735, Oct. 5, 1992]

§ 57.304 Payment of Federal capital contributions and reallocation of funds remitted to the Secretary.

(a) *Annual payment.* The Secretary will make payments at a time determined by him or her, to each school with which he or she has entered into an agreement under the Act.

(1) For any fiscal year for which “set-aside” funds are available, the Secretary will first make payments in the manner described in (a)(2) of this section of not less than \$1,000,000 of the amount of Federal funds determined by the Secretary at the time of payment to be available for making loans under this subpart. These funds will be paid to schools submitting an application for “set-aside” funds to be used only

for the purpose of making loans to individuals qualified to receive loans under this subpart who, on the date they receive the loan, have not been employed on a full-time basis or been enrolled in any educational institution on a full-time basis for at least 7 years. An individual may not receive a loan under this subparagraph that exceeds \$500 for any academic year.

(2) If the total of the amounts requested for any fiscal year by all schools for Federal capital contributions minus the amount received under paragraph (a)(1) of this section exceeds the amount of Federal funds determined by the Secretary at the time of payment to be available for this purpose, the payment to each school will be reduced to whichever is smaller: (i) The amount requested in the application, or (ii) an amount which bears the same ratio to the total amount of Federal funds determined by the Secretary at the time of payment to be available for that fiscal year for the Nursing Student Loan program as the number of full-time students estimated by the Secretary to be enrolled in that school bears to the estimated total number of full-time students in all participating schools during that year.

(3) Amounts remaining after these payments are made will be distributed in accordance with this paragraph among schools whose applications requested more than the amount paid to them, but with whatever adjustments that may be necessary to prevent the total paid to any school from exceeding the total requested by it.

(b) *Method of payment.* The payment of Federal capital contributions to a school will be paid in a manner that avoids unnecessary accumulations of money in any nursing student loan fund.

(c) *Reallocation of funds remitted to the Secretary.* (1) All funds from a student loan fund established under this subpart which are remitted to the Secretary in any fiscal year shall be available for allotment under this subpart, in the same fiscal year and the succeeding fiscal year, to eligible nursing schools. In making these allotments, the Secretary shall give priority to nursing schools which established a student loan fund under this subpart

after September 30, 1975. The Secretary will make payments to eligible schools at a time determined by him or her, according to the procedures indicated in paragraphs (c)(2) and (c)(3) of this section.

(2) *Eligible schools which established a nursing student loan fund after September 30, 1975.* The Secretary will make awards first to those eligible schools that established a nursing student loan fund after September 30, 1975. If the total of the amounts requested for any fiscal year by these schools exceeds the amount of funds determined by the Secretary at the time of payment to be available for this purpose, the payment to each school will be reduced to whichever is smaller:

(i) The amount requested in the application, or

(ii) An amount which bears the same ratio to the total amount of returned funds determined by the Secretary at the time of payment to be available for that fiscal year for the Nursing Student Loan program as the number of full-time students estimated by the Secretary to be enrolled in that school bears to the estimated total number of full-time students in these eligible schools during that year.

Amounts remaining after these payments are made will be distributed in accordance with this paragraph among schools whose applications requested more than the amount paid to them, with whatever adjustments may be necessary to prevent the total paid to any school from exceeding the total requested by it.

(3) *Eligible schools which established a nursing student loan fund prior to October 1, 1975.* If there are funds remaining after making awards as specified by paragraph (c)(2) of this section, the Secretary will make awards to eligible schools which established a nursing student loan fund prior to October 1, 1975. If the total of the amounts requested for any fiscal year by these schools exceeds the amount of funds determined by the Secretary at the time of payment to be available for this purpose, the payment to each school will be reduced to whichever is smaller:

(i) The amount requested in the application, or

(ii) An amount which bears the same ratio to the total amount of returned funds determined by the Secretary at the time of payment to be available for that fiscal year for the Nursing Student Loan program as the number of full-time students estimated by the Secretary to be enrolled in that school bears to the estimated total number of full-time students in these eligible schools during that year.

Amounts remaining after these payments are made will be distributed in accordance with this paragraph among schools whose applications requested more than the amount paid to them, with whatever adjustments may be necessary to prevent the total paid to any school from exceeding the total requested by it.

[50 FR 34434, Aug. 13, 1985, as amended at 53 FR 46554, Nov. 17, 1988]

§ 57.305 Nursing student loan funds.

(a) *Funds established with Federal capital contributions.* Any fund established by a school with Federal capital contributions will be accounted for separately from other funds, providing a clear audit trail for all transactions. At all times the fund must contain monies representing the institutional capital contribution. The school must at all times maintain all monies relating to the fund in one or more interest-bearing accounts or investment instruments which meet OMB requirements established for Federal monies held by third parties, except that if the school documents that the costs associated with the use of an interest-bearing account would exceed expected earnings, the school is not required to maintain these monies in an interest-bearing account. The school must place all earnings into the fund but may first deduct from total earnings any reasonable and customary charges incurred through the use of an interest-bearing account. An institution shall exercise the level of care required of a fiduciary with regard to these deposits and investments, and shall be responsible for reimbursing the fund for any losses that occur due to the use of investments that are not federally insured.

(1) The Federal capital contribution fund is to be used by the school only for:

(i) Nursing student loans to full-time or half-time students;

(ii) Capital distribution as provided in section 839 of the Act or as agreed to by the school and the Secretary; and

(iii) Costs of litigation, costs associated with membership in credit bureaus, and to the extent specifically approved by the Secretary, other collection costs that exceed the usual expenses incurred in the collection of nursing student loans.

(2) A school must review the balance in the fund on at least a semi-annual basis to determine whether the fund balance compared with projected levels of expenditures and collections exceeds its needs. A school in closing status must review the balance in the fund on a quarterly basis. Monies identified as in excess of the school's needs must be reported, and the Federal share returned to the Federal Government, by the due date of the required report which identifies the excess monies. The school's determination is subject to the review and approval of the Secretary.

(b) *Funds established with Federal capital loans.* (1) Each Federal capital loan is subject to the terms of the promissory note executed by an authorized official on behalf of the borrowing school.

(2) The Federal capital loans must be carried in a special account of the school, to be used by the school only for: (i) Repayments of principal and interest on Federal capital loans; and (ii) costs of litigation, costs associated with membership in credit bureaus, and, to the extent specifically approved by the Secretary, other collection costs that exceed the usual expenses incurred in the collection of nursing student loans.

(c) Failure to comply with the requirements of this section will subject a school to the noncompliance provisions of § 57.318 and the Department's Claims Collections regulations (45 CFR part 30), as appropriate.

(Approved by the Office of Management and Budget under control number 0915-0047)

[50 FR 34434, Aug. 23, 1985, as amended at 56 FR 40734, Aug. 15, 1991; 61 FR 6123, Feb. 16, 1996]

§ 57.306 Eligibility and selection of nursing student loan applicants.

(a) *Determination of eligibility.* (1) Applicants are eligible for consideration for a nursing student loan if they are:

(i) Residents of the United States and either a citizen or national of the United States, an alien lawfully admitted for permanent residence in the United States, a citizen of the Commonwealth of the Northern Mariana Islands, a citizen of the Republic of Palau, a citizen of the Republic of the Marshall Islands, or a citizen of the Federated States of Micronesia;

(ii) Enrolled, or accepted for enrollment in the school as full-time or half-time students;

(iii) In need of the amount of the loan to pursue the course of study at the school; and

(iv) Capable, in the opinion of the school, of maintaining good standing in the course of study.

(2) An applicant who has previously attended an institution of higher education must submit a financial aid transcript which includes at least the following data:

(i) Applicant's name and social security number;

(ii) Amounts and sources of loans and grants previously received by the applicant for study at an institution of higher education;

(iii) Whether the applicant is in default on any of these loans, or owes a refund on any grants;

(iv) Certification from each institution previously attended by the applicant that the applicant has received no financial aid, if applicable; and

(v) From each institution previously attended, the signature of an official authorized by the institution to sign such transcripts on behalf of the institution.

(b) *Selection of nursing student loan applicants and determinations of need.* The school will select qualified applicants, make reasonable determinations of need, and determine the amount of student loans.

(1) In selecting nursing student loan applicants the school will give preference to licensed practical nurses, and to persons with exceptional financial need. For purposes of this preference, a student will be considered to dem-

onstrate exceptional financial need if the school determines that the student's resources, as described in paragraph (b)(2)(i) of this section, do not exceed one-half of the costs of attendance at the school. Summer earnings, educational loans, veterans (G.I.) benefits, earnings during the school year, and Aid to Families with Dependent Children (AFDC) will not be considered as resources in determining whether an applicant meets these criteria for exceptional financial need, but will be considered in determining the amount of funds a student may receive.

(2) In determining whether a student is in need of a nursing student loan to pursue a full-time or half-time course of study at the school, the school will take into consideration:

(i) The financial resources available to the student by using one of the national need analysis systems or any other procedure approved by the Secretary of Education in combination with other information which the school has regarding the student's financial status; and

(ii) The costs reasonably necessary for the student's attendance at the school, including any special needs and obligations which directly affect the student's financial ability to attend the school on a full-time or half-time basis. The school must document the criteria used for determining these costs.

(c) *Verification of loan information.* The school must verify, to the best of its ability, the information provided by the student on the loan application. To comply with this requirement, a school may require that a student provide, for example: Photocopies of the parents', student's, and spouse's Federal income tax forms with original signatures for the most recent tax year (or certification that no Federal income tax return was filed); tax returns that are certified as having been received by the Internal Revenue Service; or other documentation that the school considers necessary to help assure that information on the loan application is correct.

(Approved by the Office of Management and Budget under control number 0915-0047)

[50 FR 34434, Aug. 23, 1985, as amended at 53 FR 46554, Nov. 17, 1988; 56 FR 13771, Apr. 4, 1991; 61 FR 6123, Feb. 16, 1996]

§ 57.307 Maximum amount of nursing student loans.

The total of the nursing student loans made from the fund to any student for an academic year may not exceed \$2,500, except that for each of the final 2 academic years of the program, the total must not exceed \$4,000. The maximum amount loaned during a 12-month period to any student enrolled in a school which provides a course of study longer than the 9-month academic year may be proportionately increased. The total of all nursing student loans to any student must not exceed \$13,000.

[56 FR 13771, Apr. 4, 1991]

§ 57.308 Nursing student loan promissory note.

(a) *Promissory note form.* Each nursing student loan must be evidenced by a properly executed promissory note in a form approved by the Secretary. The school must safeguard the promissory note against fire, theft, and tampering.

(1) Each promissory note must state that the loan will bear interest on the unpaid balance computed only for periods during which repayment of the loan is required, at the rate of 5 percent per year.

(2) Each promissory note must contain an acceleration clause provided by the Secretary, which will permit the acceleration of delinquent loans at the school's option.

(3) A copy of each executed note must be supplied by the school to the student borrower.

(b) *Security.* A school must require security or endorsement if the borrower is a minor and if, under the applicable State law, the note signed by him or her would not create a binding obligation. The school may not require security or endorsement in any other circumstances.

(Approved by the Office of Management and Budget under control number 0915–0047)

[50 FR 34434, Aug. 23, 1985, as amended at 56 FR 13771, Apr. 4, 1991; 57 FR 45735, Oct. 5, 1992]

§ 57.309 Payment of nursing student loans.

(a) Nursing student loans from any fund may be paid to or on behalf of stu-

dent borrowers in installments considered appropriate by the school except that a school may not pay to or on behalf of any borrower more during any given installment period (e.g., semester, term, or quarter) than the school determines the student needs for that period.

(b) No payment may be made from a fund to or on behalf of any student borrower if at the time of the payment the borrower is not a full-time or half-time student.

§ 57.310 Repayment and collection of nursing student loans.

(a) Each nursing student loan, including accrued interest, will be repayable in equal or graduated periodic installments in amounts calculated on the basis of a 10-year repayment period. Repayment of a loan must begin 9 months after the student ceases to be a full-time or half-time student, except that if a borrower reenters the same or another school as a full-time or half-time student within the 9-month period, the date upon which interest will accrue and the repayment period will begin will be determined by the date upon which the student last ceases to be a full-time or half-time student at that school.

(1) The following periods will be excluded from the 10-year repayment period: (i) All periods up to a total of 3 years of active duty performed by the borrower as a member of the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration Corps or the U.S. Public Health Service Commissioned Corps;

(ii) All periods up to a total of 3 years of service as a volunteer under the Peace Corps Act; and

(iii) All periods up to a total of 10 years during which the borrower is pursuing a full-time or half-time course of study at a school leading to a baccalaureate degree in nursing or an equivalent degree, or to a graduate degree in nursing, or is otherwise pursuing advanced professional training in nursing (or training to be a nurse anesthetist). For purposes of this paragraph, "otherwise pursuing advanced professional training in nursing" shall include full-time or half-time training, beyond the

first diploma or degree in nursing received by the particular borrower, of at least 1 academic year which will advance the borrower's knowledge of and strengthen his or her skills in the provision of nursing services.¹

(2) Subject to the provisions of paragraph (b)(3) of this section, a borrower must establish a repayment schedule with the school providing for payments not less often than quarterly. Any borrower whose repayment becomes more than 60 days past due must be placed on a monthly repayment schedule by the school. A borrower may at his or her option and without penalty, prepay all or part of the principal and accrued interest at any time.

(3) A school may grant forbearance whenever extraordinary circumstances such as unemployment, poor health or other personal problems temporarily affect the borrower's ability to make scheduled loan repayments.

(b) *Collection of nursing student loans.*

(1) Each school at which a fund is established must exercise due diligence in the collection of nursing student loans due the fund. In the exercise of due diligence, a school must follow procedures which are at least as extensive and effective as those used in the collection of other student loan accounts due the school, and must use the steps outlined below in accordance with collection practices which are generally accepted among institutions of higher education:

(i) Conduct and document an entrance interview (individually or in groups) with the borrower prior to disbursing NSL funds in any academic year. During the entrance interview the school must obtain documentation which indicates that the borrower is aware of the rights and responsibilities associated with NSL funds and personal information which would assist in locating the borrower if he or she

fails to keep the school informed of his or her current address. The requirement of this subparagraph may be met by correspondence if the school determines that a face-to-face meeting (individually or in groups) is impracticable.

(ii) Conduct and document an exit interview (individually or in groups) with the borrower. During the exit interview, the school must provide each borrower with information necessary to carry out the terms of repayment, remind the borrower of the rights and responsibilities associated with NSL funds, and update the personal information collected prior to disbursing NSL funds which would assist in locating the borrower if he or she fails to keep the school informed of his or her current address. If the borrower terminates studies without advance notice, the school must document attempts to inform the borrower of the substance of the exit interview and to secure exit interview information from the borrower by mail.

(iii) Notify the borrower in writing of the impending repayment obligation at least twice during the grace period;

(iv) Notify a borrower who is in deferment status in writing of the impending repayment obligation 1 to 3 months prior to the expiration of the approved period of deferment;

(v) Perform regular billing;

(vi) Follow up past due payments with a series of at least four documented and reasonably spaced attempts to contact the borrower, at least three of which must be in writing at not more than 30-day intervals, prior to the loan becoming 120 days past due, provided that the school has a current address for the borrower;

(vii) Perform address searches when necessary;

(viii) Use collection agents, which may include the use of an internal collection agent;

(ix) Institute legal proceedings against borrowers after all other attempts at collection have failed, unless the school determines, subject to the approval of the Secretary, that such litigation would not be cost-effective; and

¹Individuals who received nursing student loans prior to July 1, 1969, remain subject to the repayment provisions of 42 CFR 57.314(a)(3)(1976) as adopted on February 4, 1974. These provisions can be found at 39 FR 16473 (May 9, 1974), and a copy can be obtained by writing the Division of Student Assistance, Bureau of Health Professions, 5600 Fishers Lane, Parklawn Building, room 8-34, Rockville, MD 20857.

(x) Become a member of a credit bureau and notify the credit bureau of accounts past due by more than 120 days. In place of one or more of the procedures outlined above schools may substitute collection techniques that are equally or more effective, but only after they have demonstrated the effectiveness of the techniques and obtained written approval from the Secretary.

(2) *Late charge.* (i) For any nursing student loan made after June 30, 1969, but prior to October 1, 1985, the school may fix a charge for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment under section 836(b)(2) of the Act, or cancellation or repayment under section 836(b)(3) of the Act, for any failure to file timely and satisfactory evidence of the entitlement. The amount of the charge may not exceed \$1 for the first month or part of a month by which the installment or evidence is late and \$2 for each succeeding month or part of a month. The school may elect to add the amount of this charge to the principal amount of the loan as of the day after the day on which the installment or evidence was due, or to make the amount of the charge payable to the school no later than the due date of the next installment following receipt of the notice of the charge by the borrower.

(ii) For any nursing student loan made on or after October 1, 1985, the school shall assess a charge for failure of the borrower to pay all or any part of an installment when the loan is more than 60 days past due and, in the case of a borrower who is entitled to deferment under section 836(b)(2) of the Act, for any failure to file satisfactory evidence of the entitlement within 60 days of the date payment would otherwise be due. No charge may be made if the loan is less than 61 days past due. The amount of this charge may not exceed an amount equal to 6 percent of the amount due at the time the charge is calculated. The school may elect to add the amount of this charge to the principal amount of the loan as of the day on which the charge is calculated, or to make the amount of the charge payable to the school no later than the due date of the next installment fol-

lowing receipt of the notice of the charge by the borrower.

(3) With respect to any nursing student loan made after June 30, 1969, the school may require the borrower to make payments of at least \$15 per month on all outstanding nursing student loans during the repayment period.

(4) A school must, on an annual basis, review and assess the collectibility of any loan more than 3 years past due. If the school determines that the prospects of future collection are promising enough to justify periodic review of the debt, and neither the statute of limitations nor the 10-year repayment period has expired, the school may retain the account for continued collections, provided that it makes an attempt at least semi-annually to collect from the borrower. When the due diligence procedures required by paragraph (b)(1) of this section have been exhausted, the school is responsible for determining the collection methods it will use for the semi-annual collection effort required on these loans. If the school determines that the prospects of future collection are not promising, or when the statute of limitations or the 10-year repayment period has expired, the loan must be considered uncollectible. A school may determine a loan to be uncollectible sooner than 3 years past due when it has evidence that the loan cannot be collected, but in no case should a school consider a loan as uncollectible if it has not been in default for at least 120 days. A school is not subject to the requirements in paragraphs (b)(4) (i) and (iii) of this section for loans that became uncollectible, as determined by the school, before January 1, 1983.

(i) A school must request permission to write off an uncollectible loan within 30 days of the determination that it is uncollectible or reimburse the fund in the full amount of the loan, pursuant to § 57.310(b)(4)(iii). The 30-day period for submitting the loan for write-off review begins on the date that the determination of uncollectibility is made, in accordance with paragraph (b)(4) of this section. In any instance where the Secretary determines that a

school has failed to exercise due diligence in the collection of a loan, in accordance with the applicable regulatory requirements, the school will be required to place in the fund the full amount of principal, interest, and penalty charges that remains uncollected on the loan. Reimbursement must be made by the following June 30 or December 31, whichever is sooner, except that in no case will a school be required to reimburse the fund in less than 30 days following the Secretary's disapproval of the request for write-off approval.

(ii) If the Secretary determines that a school has exercised due diligence in the collection of a loan, in accordance with the applicable regulatory requirements, or if the school determines that the loan was uncollectible prior to January 1, 1983, the school will be permitted to reduce its accounts receivable for the NSL fund by the full amount of principal, interest, and penalty charges that remains uncollected on that loan and will not be required to return the Federal share of the loss to the Secretary.

(iii) If a school does not request permission to write off an uncollectible loan within the required timeframe, it must reimburse the fund for the full amount of principal, interest, and penalty charges that remains uncollected on that loan. This reimbursement must be made by the following June 30 or December 31, whichever is sooner, except that in no case will a school be required to reimburse the fund in less than 30 days following its determination that a loan is uncollectible.

(iv) Failure to comply with the requirements of this section will subject a school to the noncompliance provisions of § 57.318 and the Department's Claims Collection regulations (45 CFR part 30), as appropriate.

(5) *Disclosure of taxpayer identity information.* Upon written request by the Secretary, the Secretary of the Internal Revenue Service (IRS) may disclose the address of any taxpayer who has defaulted on a nursing student loan, for use only by officers, employees, or agents of the Department, to locate the defaulted borrower to collect the loan. Any such mailing address may be disclosed by the Secretary to any school

from which the defaulted borrower received a nursing student loan, for use only by officers, employees, or agents of the school whose duties relate to the collection of nursing student loan funds, to locate the defaulted borrower to collect the loan. Any school which requests and obtains such address information must comply with the requirements of the Secretary and the IRS regarding the safeguarding and proper handling of this information.

(Approved by the Office of Management and Budget under control number 0915-0047)

[50 FR 34434, Aug. 23, 1985, as amended at 52 FR 10195, Mar. 30, 1987; 56 FR 13771, Apr. 4, 1991; 56 FR 40734, Aug. 15, 1991; 57 FR 45735, Oct. 5, 1992; 61 FR 6123, Feb. 16, 1996]

§ 57.311 Cancellation of nursing student loans for disability or death.

(a) *Permanent and total disability.* The Secretary will cancel a borrower's indebtedness in accordance with section 836(b)(4) of the Act if the borrower is found to be permanently and totally disabled on recommendation of the school and as supported by whatever medical certification the Secretary may require. A borrower is totally and permanently disabled if he or she is unable to engage in any substantial gainful activity because of a medically determinable impairment, which the Secretary expects to continue for a long time or to result in death.

(b) *Death.* The Secretary will cancel a borrower's indebtedness in accordance with section 836(b)(4) of the Act upon the death of the borrower. The school to which the borrower was indebted must secure a certification of death or whatever official proof is conclusive under State law.

(Approved by the Office of Management and Budget under control number 0915-0047)

[50 FR 34434, Aug. 23, 1985, as amended at 56 FR 13772, Apr. 4, 1991]

§ 57.312 Repayment of loans for service in a shortage area.

(a) *Service in a shortage area.* Subject to the availability of funds, a person who:

(1) Has obtained a degree as specified in section 846(a)(1) of the Act;

(2) Has obtained one or more nursing student loans or any other loans necessary for costs (including tuition, books, fees, equipment, living and other expenses which the Secretary determines were necessary) of attending a school of nursing; and

(3) Enters into an agreement with the Secretary to serve as a full-time registered nurse for a period of not less than 2 years in an Indian Health Service health center, a Native Hawaiian health center, a public hospital, a migrant health center, a community health center, a nursing facility, a rural health clinic, or in a health facility determined by the Secretary to have a critical shortage of nurses, will have a portion of these loans repaid by the Secretary in accordance with paragraph (c) of this section. Prior to entering an agreement for repayment of loans, other than nursing student loans, the Secretary will require that satisfactory evidence be provided of the existence and reasonableness of the education loans (i.e., a copy of the written loan agreement establishing the loan).

(b) When entering into agreements under paragraph (a) of this section, the Secretary shall give priority to:

(1) Applicants with the greatest financial need; and

(2) Applicants that, with respect to health facilities described in paragraph (a)(3) of this section, agree to serve in such facilities located in geographic areas with a shortage of and need for nurses, as determined by the Secretary.

(3) In addition to the priorities under paragraphs (b) (1) and (2) of this section, should specific needs warrant, the Secretary may establish additional preferences which will be announced from time to time in the FEDERAL REGISTER.

(c) *Repayment.* Loan repayment will be made by the Secretary to persons who meet the conditions set forth in paragraph (a) of this section. Payment will be as follows:

(1) Upon completion by the borrower of the first year of service as specified in the agreement, the Secretary will pay 30 percent of the principal of, and the interest on, each loan which was

unpaid as of the date the borrower began his or her service;

(2) Upon completion by the borrower of the second year of service, the Secretary will pay another 30 percent of the principal of, and the interest on, each loan which was unpaid as of the date the borrower began his or her service;

(3) Upon completion by the borrower of a third year of service, the Secretary will pay another 25 percent of the principal of, and the interest on, each loan which was unpaid as of the date the borrower began his or her service; and

(4) No more than 85 percent of the principal of any loan will be paid under this section.

(Approved by the Office of Management and Budget under control number 0915–0047)

[50 FR 34434, Aug. 23, 1985, as amended at 56 FR 13772, Apr. 4, 1991; 61 FR 6123, Feb. 16, 1996]

§ 57.313 Loan cancellation for full-time employment as a registered nurse.

(a) *For loans made after November 18, 1971, and before September 29, 1979.* A person who: (1) Received one or more nursing student loans after November 18, 1971, and before September 29, 1979; (2) is in compliance with the requirements of title VIII of the Act and these regulations; and (3) engages in full-time employment as a registered nurse (including teaching in any of the fields of nurse training or service as an administrator, supervisor, or consultant in any of the fields of nursing) in any public or nonprofit private agency, institution, or organization (including neighborhood health centers) is entitled to have a portion of these nursing student loans canceled as follows: 15 percent of the total amount of the loans plus accrued interest on the loan which is unpaid on the first day of his or her service, for each of the first, second, and third year of service; and 20 percent of the total amount of the loan plus accrued interest on the loan for each complete fourth and fifth year of service thereafter, up to 85 percent of the total of the loans, plus accrued interest.

(b) *Continuation of provisions for cancellation of loans made prior to November 18, 1971.* A person who received one or more nursing student loans prior to

November 18, 1971, may still receive cancellation of these loans for service under section 836(h) of the Act. The regulations set forth in 42 CFR 57.316 (a) and (b)(6) (1976), as adopted on February 4, 1974, remain applicable to cancellation on this basis. The provisions can be found at 39 FR 16473 (May 9, 1974) and a copy can be obtained by writing to the Division of Student Assistance, Bureau of Health Professions, Room 8-34, Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857.

(c) The determination of whether a person is entitled to have any portion of his or her nursing student loan canceled for full-time employment as a registered nurse will be made by the institution to whose fund his or her loan is payable, upon receipt and evaluation of an application for cancellation from that person.

[50 FR 34434, Aug. 23, 1985, as amended at 56 FR 13772, Apr. 4, 1991; 57 FR 45735, Oct. 5, 1992; 61 FR 6123, Feb. 16, 1996]

§ 57.313a Loan cancellation reimbursement.

In the event that insufficient funds are available to the Secretary in any fiscal year to enable him or her to pay to all schools their proportionate shares of all loans and interest canceled under this subpart for full-time employment as a nurse, death, or disability:

(a) Each school will be paid an amount bearing the same ratio to the total of the funds available for that purpose as the principal of loans canceled by that school in that fiscal year bears to the total principal of loans canceled by all schools in that year; and

(b) Any additional amounts to which a school is entitled will be paid by the Secretary at the time of distribution of the assets of the school's fund under section 839 of the Act.

§ 57.314 Repayment of loans made after November 17, 1971, for failure to complete a program of study.²

In the event that the Secretary undertakes to repay educational loans

under section 836(i) of the Act, he or she will use the following criteria to make a determination as to each applicant's eligibility:

(a) An applicant will be considered to have failed to complete the course of study in nursing for which an eligible education loan was made upon certification by a school of nursing that the individual ceased to be enrolled in the school subsequent to November 17, 1971;

(b) An applicant will be considered to be in exceptionally needy circumstances if, upon comparison of the income and other financial resources of the applicant with his or her expenses and financial obligations, the Secretary determines that repayment of the loan would constitute a serious economic burden on the applicant. In making this determination, the Secretary will take into consideration the applicant's net financial assets, his or her potential earning capacity, and the relationship of the income available to the applicant to the low-income levels published annually by the Secretary in the FEDERAL REGISTER;

(c) An applicant will be considered as not having resumed his or her nursing studies within 2 years following the date the individual ceased to be a student upon certification so stating from the applicant; and

(d) An applicant will be considered as not reasonably expected to resume his or her nursing studies within 2 years following the date upon which he or she terminated these studies, based upon consideration of the reasons for the applicant's failure to complete these studies, taking into account such factors as academic, medical, or financial difficulties. The Secretary will only repay education loans made after November 17, 1971.

[50 FR 34434, Aug. 23, 1985, as amended at 56 FR 13772, Apr. 4, 1991; 57 FR 45735, Oct. 5, 1992; 61 FR 6123, Feb. 16, 1996]

§ 57.315 Records, reports, inspection, and audit.

(a) *Records and reports.* (1) Each Federal capital contribution and Federal capital loan is subject to the condition that the school must maintain those

²Effective November 26, 1984, the Secretary stopped accepting applications under § 57.314

because Federal funds are not available for this provision.

records and file with the Secretary those reports relating to the operation of its nursing student loan funds as the Secretary may find necessary to carry out the purposes of the Act and these regulations. A school must submit required reports to the Secretary within 45 days of the close of the reporting period.

(i) A school which fails to submit a required report for its Federal capital contribution fund within 45 days of the close of the reporting period:

(A) Shall be prohibited from receiving new Federal capital contributions;

(B) Must place the revolving fund and all subsequent collections in an insured interest-bearing account; and

(C) May make no loan disbursements.

The above restrictions apply until the Secretary determines that the school is in compliance with the reporting requirement.

(ii) A school that fails to submit a complete report within 6 months of the close of the reporting period will be subject to termination. The Secretary will provide the school with a written notice specifying his or her intention to terminate the school's participation in the program and stating that the school may request, within 30 days of the receipt of this notice, a formal hearing. If the school requests a hearing, it must within 90 days of the receipt of the notice, submit material, factual issues in dispute to demonstrate that there is cause for a hearing. These issues must be both substantive and relevant. The hearing will be held in the Washington, DC metropolitan area. The Secretary will deny a hearing if:

(A) The request for a hearing is untimely (ie., fails to meet the 30-day requirement);

(B) The school does not provide a statement of material, factual issues in dispute within the 90-day required period; or

(C) The statement of factual issues in dispute is frivolous or inconsequential. In the event that the Secretary denies a hearing, the Secretary will send a written denial to the school setting forth the reasons for denial. If a hearing is denied, or if as a result of the hearing, termination is still determined to be necessary, the school will

be terminated from participation in the program and will be required to return the Federal share of the revolving fund to the Department. A school terminated for failure to submit a complete report within 6 months of the close of the reporting period must continue to pursue collections and may re-apply for participation in the program once it has submitted the overdue report.

(2) The following student records must be retained by the school for 5 years after the individual student ceases to be a full-time or half-time student:

(i) Approved student applications for nursing student loans;

(ii) Documentation of the financial need of applicants; and

(iii) Copy of financial aid transcripts.

(3) The following repayment records for each individual borrower must be retained for at least 5 years from the date of retirement of a loan:

(i) The amount and date of each loan;

(ii) The amount and date of each payment or cancellation;

(iii) Records of periods of deferment;

(iv) Date, nature, and result of each contract with the borrower or proper endorser in the collection of an overdue loan;

(v) Copies of all correspondence to or from the borrower and endorser;

(vi) Copies of all correspondence with a collection agency related to the individual borrower;

(vii) Copies of all correspondence with a credit bureau related to an individual borrower; and

(viii) Copies of all correspondence relating to uncollectible loans which have been written off by the Federal Government or repaid by the school.

(4) The school must also retain other records as the Secretary may prescribe. In all cases where questions have arisen as a result of a Federal audit, the records must be retained until resolution of all questions.

(b) *Inspection and audit.* (1) Any application for a Federal capital contribution will constitute the consent of the applicant school to inspection and fiscal audit, by the Secretary and the Comptroller General of the United States or any of their duly authorized representatives, of the fiscal and other

records of the applicant school which relate to the Federal capital contribution or Federal capital loan.

(2) The school must comply with the audit requirements of the Department of Health and Human Services' Administration of Grants regulations which are set forth in 45 CFR part 74.

(c) Institutional officials who have information which indicates the potential or actual commission of fraud or other offenses against the United States, involving these loan funds, should promptly provide this information to the appropriate Regional Office of Inspector General for Investigations.

(Approved by the Office of Management and Budget under control number 0915-0047)

[50 FR 34434, Aug. 23, 1985, as amended at 53 FR 46555, Nov. 17, 1988; 56 FR 13772, Apr. 4, 1991; 57 FR 45735, Oct. 1, 1992]

§57.316 What additional Department regulations apply to schools?

Participating schools are advised that in addition to complying with the terms and conditions of these regulations, several other regulations apply under this subpart. These include, but are not limited to:

45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in Health and Human Services programs or activities receiving Federal financial assistance

45 CFR part 93—New Restrictions on Lobbying

[56 FR 13772, Apr. 4, 1991, as amended at 57 FR 45735, Oct. 5, 1992; 61 FR 6123, Feb. 16, 1996]

§57.316a Performance standard.

On June 30, 1986, and on each June 30 thereafter, except as provided in paragraph (b) of this section, each school must have a default rate (as calculated under paragraph (a) of this section) of not more than 5 percent.

(a) The default rate for each school shall be the ratio (stated as a percentage) that the defaulted principal amount outstanding of the school bears to the matured loans of the school. For this purpose:

(1) The term "defaulted principal amount outstanding" means the total amount borrowed from the loan fund of a school that has reached the repayment stage (minus any principal amount repaid or canceled) on loans in default for more than 120 days; and

(2) The term "matured loans" means the total principal amount of all loans made by a school under this subpart minus the total principal amount of loans made by the school to students who are:

(i) Enrolled in a full-time or half-time course of study at the school; or

(ii) In their grace period.

(b) Any school that has a default rate greater than 5 percent on June 30, 1986, or on June 30 of any year thereafter will be required to:

(1) Reduce its default rate by 50 percent (or a school with a default rate below 10 percent must reduce its rate to 5 percent) by the close of the following 6-month period; and

(2) By the end of each succeeding 6-month period, reduce its default rate to 50 percent of the required rate for the previous 6-month period, until it reaches 5 percent.

(c) Any school subject to the provisions of paragraph (b) of this section which fails to comply with those requirements will receive no new NSL funds and will be required to:

(1) Place the revolving fund monies and all subsequent collections into an insured interest-bearing account;

(2) Make no loan disbursements; and

(3) By the end of the succeeding 6-month period, reduce its default rate to 50 percent of the rate it failed to achieve under paragraph (b) of this section, or 5 percent. A school that meets this requirement will be permitted to resume the use of its nursing student

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loan funds, but must continue to comply with the requirements of paragraph (b)(2) of this section if its default rate is still greater than 5 percent.

A school that meets the requirements of subparagraph (c)(3) of this section will be permitted to resume the use of its NSL funds, but must continue to comply with the requirements of subparagraph (b)(2) of this section if its delinquency rate is still greater than 5 percent.

(d) Any school subject to the provisions of paragraph (c)(3) of this section which fails to comply with those requirements will be subject to termination. The Secretary will provide the school with a written notice specifying his or her intention to terminate the school's participation in the program and stating that the school may request, within 30 days of the receipt of this notice, a formal hearing. If the school requests a hearing, it must within 90 days of the receipt of the notice, submit material, factual issues in dispute to demonstrate that there is cause for a hearing. These issues must be both substantive and relevant. The hearing will be held in the Washington, DC metropolitan area. The Secretary will deny a hearing if:

(1) The request for a hearing is untimely (i.e., fails to meet the 30-day requirement);

(2) The school does not provide a statement of material, factual issues in dispute within the 90-day required period; or

(3) The statement of factual issues in dispute is frivolous or inconsequential.

In the event that the Secretary denies a hearing, the Secretary will send a written denial to the school setting forth the reasons for denial. If a hearing is denied, or if as a result of the hearing, termination is still determined to be necessary, the school will be terminated from participation in the program and will be required to return the Federal share of the revolving fund to the Department. A school terminated for failure to comply with the provisions of paragraph (c)(3) of this section must continue to pursue collections and may reapply for participation in the program only when it has at-

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tained a default rate of 5 percent or less.

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[50 FR 34434, Aug. 23, 1985, as amended at 52 FR 10195, Mar. 30, 1987; 53 FR 46555, Nov. 17, 1988; 56 FR 13772, Apr. 4, 1991]

§ 57.317 Additional conditions.

The Secretary may, with respect to any agreement entered into with any school under § 57.305, impose additional conditions prior to or at the time of any award when in his or her judgment the conditions are necessary to assure or protect advancement of the purposes of the agreement, the interest of the public health, or the conservation of funds awarded.

§ 57.318 Noncompliance.

Whenever the Secretary finds that a participating school has failed to comply with the applicable provisions of the Act or the regulations of this subpart he or she may, on reasonable notice to the school, withhold further payments of Federal capital contributions and take other action, including the termination of any agreement, as he or she finds necessary to enforce the Act and regulations. In such case no further expenditures shall be made from the nursing student loan fund or funds involved until the Secretary determines that there is no longer any failure of compliance.

Subpart E—Grants for Construction of Nurse Training Facilities

AUTHORITY: Sec. 215, 58 Stat. 690, as amended; 42 U.S.C. 216.

§ 57.409 Good cause for other use of completed facility.

If, within 20 years after completion of construction (or, in the case of interim facilities prior to the time at which teaching in such facilities is moved to a permanent facility, whichever comes first), the facility shall cease to be used for any one or more of the purposes for which it was constructed, the Secretary, in determining whether there is good cause for releasing the applicant or other owner of the facility from the obligation so to use the facility, shall

take into consideration the extent to which:

(a) The facility will be devoted by the applicant or other owner to the teaching of other health personnel;

(b) There are reasonable assurances that for the remainder of such period other facilities not previously utilized for nurse training will be so utilized and are substantially the equivalent in nature and extent for such purposes.

[37 FR 20548, Sept. 30, 1972]

Subpart F—Grants for Nurse Anesthetist Traineeships

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended by 67 Stat. 631 (42 U.S.C. 216); sec. 831(a) of the Public Health Service Act, 93 Stat. 580, as amended by 96 Stat. 2061, and 99 Stat. 396-397 (42 U.S.C. 297-1).

SOURCE: 53 FR 9116, Mar. 21, 1988, unless otherwise noted.

§ 57.501 To what programs do these regulations apply?

These regulations apply to grants awarded to public or private nonprofit institutions for the purpose of providing traineeships to registered nurses enrolled in nurse anesthetist training programs.

§ 57.502 Definitions.

Act means the Public Health Service Act, as amended.

Fiscal Year means the Federal fiscal year, beginning October 1 and ending the following September 30.

National of the United States means a citizen of the United States or a person who, though not a citizen of the United States, owes permanent allegiance to the United States (as defined in 8 U.S.C. 1101(a)(22), the Immigration and Nationality Act).

Nonprofit refers to the status of an entity which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Nurse anesthetist means a registered nurse who has successfully completed a nurse anesthetist training program.

Nurse anesthetist training program means a full-time educational program which:

(1) Is designed to qualify registered nurses as nurse anesthetists;

(2) Is accredited by the Council on Accreditation of Nurse Anesthesia Educational Programs; and

(3) Has students enrolled in the program who are beyond the twelfth month of study.

Registered nurse means a person who has graduated from a school of nursing and is licensed to practice as a registered/professional nurse in a State.

School of nursing means a collegiate, associate degree, or diploma school of nursing as defined in section 853 of the Act.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services, to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

Trainee means a student who is receiving a traineeship from a grant under this subpart.

[53 FR 9116, Mar. 21, 1988, as amended at 57 FR 45735, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.503 Who is eligible to apply for a grant?

Any public or private nonprofit institution which is located in a State and administers a nurse anesthetist training program is eligible to apply for a grant by submitting an application at the time and in the form that the Secretary may prescribe.

[53 FR 9116, Mar. 21, 1988, as amended at 57 FR 45735, Oct. 5, 1992]

§ 57.504 How will applications be evaluated?

Within the limits of funds available, the Secretary will award a grant to each eligible institution whose application is found to meet the requirements

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of section 831(a) of the Act and these regulations. In determining the funding of applications, the Secretary will consider any special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

§ 57.505 How long does grant support last?

(a) The Notice of Grant Award specifies the period during which grant funds are available for obligation by the grantee. This period, called the budget period, will not exceed 1 year.

(b) The grant will initially be funded for 1 year, and subsequent awards will also be for 1 year at a time. Decisions about the amount of all awards will be made by formula as described in § 57.506 of these regulations. In all cases awards require a determination by the Secretary that funding is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the award of any grant shall commit or obligate the United States in any way to make any additional award with respect to any approved application or portion of an approved application. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

[53 FR 9116, Mar. 21, 1988, as amended at 57 FR 45735, Oct. 5, 1992]

§ 57.506 How is the amount of the award determined?

(a) The Secretary will use the following formula to determine the amount of the grant to be awarded to each approved nurse anesthetist training program:

$$G = F \times \frac{N}{E}$$

G represents the amount of grant to be awarded. F represents the amount of traineeship funds appropriated to implement section 831(a) in the fiscal year in which application is made. E represents the total number of full-time students enrolled beyond the twelfth month of study in all the approved applicant nurse anesthetist training programs. N represents the number of full-time students enrolled

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beyond the twelfth month of study in the applicant nurse anesthetist training program. Should special factors for determining the funding of applications be announced from time to time in the FEDERAL REGISTER, N will be adjusted upward for those applicants meeting the specific criteria as announced. (This adjustment will result in the award of additional traineeship funds to successful applicants who meet the criteria of the special factors.)

(b) Students will be counted as of October 15 of the Federal fiscal year in which application is made.

§ 57.507 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart for traineeships according to § 57.508, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) A grantee may not spend grant funds for sectarian instruction or for any religious purpose.

(c) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of the budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and made available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's need for that period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[53 FR 9116, Mar. 21, 1988, as amended at 57 FR 45735, Oct. 5, 1992]

§ 57.508 What financial support is available to trainees?

Expenditures from traineeship funds are limited to:

(a) Tuition and fees, in accordance with the established rates of the institution, except as limited by the Secretary.

(b) Stipends in whatever amount the grantee determines that each trainee needs to pursue the training program, as long as that amount does not exceed the limits established by the Public Health Service. Stipends may only be paid to the trainee in monthly installments.

(c) A transportation allowance for travel to field training if the site is beyond a reasonable commuting distance and requires the trainee to establish a temporary new residence. However, the grantee may not pay an allowance for daily commuting from the new place of residence to the field training headquarters.

[53 FR 9116, Mar. 21, 1988, as amended at 57 FR 45735, Oct. 5, 1992]

§ 57.509 Who is eligible for financial assistance as a trainee?

To be eligible for a traineeship, a registered nurse must:

(a) Be a resident of the United States and either a citizen or national of the United States, an alien lawfully admitted for permanent residence in the United States, a citizen of the Commonwealth of the Northern Mariana Islands, a citizen of the Republic of Palau, a citizen of the Republic of the Marshall Islands, or a citizen of the Federated States of Micronesia;

(b) Be enrolled as a full-time student beyond the twelfth month of study in a nurse anesthetist training program;

(c) Demonstrate financial need, as determined by the institution; and

(d) Not be receiving concurrent support for the same training from another Federal education award which provides a stipend or otherwise duplicates financial provisions except education benefits under the Veteran's Readjustment Benefits Act and loans from Federal sources.

(Approved by the Office of Management and Budget under control number 0915-0060)

[53 FR 9116, Mar. 21, 1988, as amended at 57 FR 45735, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.510 What are the requirements for traineeships and the appointment of trainees?

(a)(1) The grantee must complete a statement which documents the appointment of each trainee. To complete

this statement the grantee must require each trainee to provide information and documentation of his or her eligibility.

(2) The statement of appointment must be completed by the beginning of the training period or as soon thereafter as possible if the trainee receives notice of his or her traineeship appointment after the training period has begun. The statement of appointment must include information to document the eligibility of the trainee and certify that there will be compliance with all applicable Public Health Service terms and conditions governing the appointment. The program director must sign the statement on behalf of the grantee, and the trainee must sign it thus certifying the statements are true and complete. The original copy of the statement must be retained by the grantee to be available for program review and financial audit. A copy shall be provided to the trainee for his or her records.

(b) The grantee may not require trainees to perform any work which is not an integral part of the nurse anesthetist training program and required for all students in the program, or to perform services which detract from or prolong their training.

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[53 FR 9116, Mar. 21, 1988, as amended at 57 FR 45735, Oct. 5, 1992]

§ 57.511 Duration of traineeships.

The initial appointment to a traineeship must be made for a full academic year, not to exceed 12 months, except that a shorter appointment may be made when necessary to enable the trainee to complete the training program. A second appointment may not exceed 6 months. The total period of support for any trainee may not exceed 18 months.

§ 57.512 Termination of traineeships.

(a) The grantee must terminate a traineeship:

(1) Upon request of the trainee;

(2) If the trainee withdraws from the grantee institution; or

(3) If the grantee determines that:

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(i) The trainee is no longer an enrolled student; or

(ii) The trainee is not eligible or able to continue in accordance with its standards and practices.

(b) The grantee must deposit any Federal portion of the tuition refund owed to a trainee into the grant account and provide written notice to the trainee that it is doing so.

(Approved by the Office of Management and Budget under control number 0915-0060)

[53 FR 9116, Mar. 21, 1988, as amended at 57 FR 45735, Oct. 5, 1992]

§ 57.513 What additional Department regulations apply to grantees?

Several other regulations apply to grants under this subpart. These include, but are not limited to:

42 CFR part 50, subpart D—Public Health Service grant appeals procedure

45 CFR part 16—Procedures of the Departmental Grant Appeals Board

45 CFR part 74—Administration of grants

45 CFR part 75—Informal grant appeals procedures

45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this title

45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance

45 CFR part 93—New restrictions on lobbying.

[53 FR 9116, Mar. 21, 1988, as amended at 57 FR 45736, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.514 Additional conditions.

The Secretary may impose additional conditions on any grant award before or at the time of any award if he or she

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determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

Subpart G [Reserved]

Subpart H—Grants for Physician Assistant Training Programs

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 783(a)(1) of the Public Health Service Act, 90 Stat. 2314, and 99 Stat. 524 (42 U.S.C. 295g-3(a)(1)); redesignated as sec. 788(d) and amended by 102 Stat. 3135 (42 U.S.C. 295g-8(d)); renumbered as sec. 750, as amended by Pub. L. 102-408, 106 Stat. 2044 (42 U.S.C. 293n).

§ 57.701 Applicability.

The regulations in this subpart apply to the award of grants to public or private nonprofit schools of medicine or osteopathic medicine, and other public or private nonprofit entities under section 750 of the Public Health Service Act (42 U.S.C. 293n) to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants.

[57 FR 45736, Oct. 5, 1992; 57 FR 53815, Nov. 12, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.702 Definitions.

As used in this subpart:

Act means the Public Health Service Act, as amended.

Budget period means the interval of time into which the approved activity is divided for budgetary and reporting purposes, as specified in the grant award document.

Health professional shortage area means an area designated under section 332 of the Act.

Nonprofit refers to the status of an entity which is a corporation or association, or is owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Physician assistant means an individual who is qualified by academic and clinical training to provide patient care services under the supervision and

responsibility of a doctor of medicine or osteopathic medicine and who meets the requirements of 42 CFR 57.802.

Primary care means health care which may be initiated by the patient or the provider, or both, in a variety of settings, and which consists of a broad range of personal health care services including promotion and maintenance of health, prevention of illness and disability, basic care during acute and chronic phases of illness, guidance and counseling of individuals and families, and referral to other health care providers and community resources when appropriate. In providing the services

(1) The physical, emotional, social, and economic status of the patient is considered in the context of his or her cultural and environmental background, including the family and community, and

(2) The patient is provided timely access to the health care system.

Program for the Training of Physician Assistants or Program means a program for the training of physician assistants as defined in 42 CFR 57.801-57.803.

Project director means an individual designated by the grantee in the grant application and approved by the Secretary to direct the project being supported under this subpart.

Project period means the total time for which support for a project has been approved including any extensions of the project.

School of medicine or school of osteopathic medicine means a public or private nonprofit school which provides training leading respectively to a degree of doctor of medicine or a degree of doctor of osteopathic medicine, and which is accredited as provided in section 799(1)(E) of the Act.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam,

American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

Supervised clinical practice means supervised clinical practice as defined in 42 CFR 57.802.

[44 FR 36178, June 21, 1979, as amended at 52 FR 24160, June 29, 1987; 57 FR 45736, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.703 Eligibility.

Any public or private nonprofit school of medicine or osteopathic medicine or public or private nonprofit entity located in a State is eligible to apply for a grant under this subpart.

[57 FR 45736, Oct. 5, 1992]

§ 57.704 Application.

(a) Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at such time as the Secretary may prescribe.

(b) The application must be signed by an individual authorized to act for the applicant and to assume on behalf of the applicant the obligations imposed by the terms and conditions of any award, including the regulations of this subpart.

(c) In addition to other pertinent information which the Secretary may require, an application for a grant under this subpart must contain:

(1) A detailed description of the proposed project and of the manner in which the applicant intends to conduct the project and carry out the requirements of section 750 of the Act and this subpart, in particular, the requirements of § 57.705. This must include a budget for the proposed project and a justification for the amount of grant funds requested.

(2) A copy of all laws and regulations pertaining to the practice of physician assistants in the State or States in which the applicant's supervised clinical practice will be conducted and in which the applicant will be encouraging its graduates to work.

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(3) A description of the present employment of any graduates of the program, to the extent available, and a description of the methods to be used by the program in placing its graduates.

(Approved by the Office of Management and Budget under control number 0915-0060)

[44 FR 36178, June 21, 1979, as amended at 49 FR 38112, Sept. 27, 1984; 52 FR 24160, June 29, 1987; 57 FR 45736, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.705 Project requirements.

A project supported under this subpart must be conducted in accordance with the following requirements:

(a) The project must conduct its program for the training of physician assistants in accordance with the requirements in 42 CFR 57.803.

(b) The program must (1) be accredited as an Educational Program for the Physician Assistant by the American Medical Association's Committee on Allied Health Education and Accreditation, or (2) have received a Letter of Review from the Accreditation Review Committee on Education for the Physician Assistant.

(c) The program must be operational no later than 12 months after the award of a grant under this subpart.

(d) The project must be conducted under the direction of the project director who must be employed full-time at the grantee institution(s). If the project director becomes unable to function in this capacity, the Secretary must be notified as soon as possible.

(e) The project must evaluate the supervised clinical practice conducted by the program with respect to:

(1) The variety of patient contact and care experiences afforded to participating students;

(2) The adequacy and quality of supervision provided to participating students; and

(3) The adequacy of the physical setting or settings in which the supervised clinical practice takes place.

(f)(1) The project must provide on an annual basis, upon request and in a format acceptable to the Secretary, information in the aggregate regarding student characteristics, student attrition rate and student performance.

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(2) The project must provide on an annual basis, upon request and in a format acceptable to the Secretary, information in the aggregate regarding the employment of its graduates including place of employment.

(Approved by the Office of Management and Budget under control number 0915-0060)

[37 FR 20543, Sept. 30, 1972, as amended at 45 FR 41420, June 19, 1980; 52 FR 24160, June 29, 1987; 57 FR 45736, Oct. 5, 1992]

§ 57.706 Evaluation of applications.

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will approve or disapprove all applications filed in accordance with § 57.704, taking into consideration:

(1) The degree to which the project plan adequately provides for meeting the requirements set forth in § 57.705 and 42 CFR 57.803;

(2) The potential effectiveness of the project in carrying out the purposes of section 750 of the Act and this subpart;

(3) The capability of the applicant to carry out the proposed project;

(4) The local, regional, and national needs the project proposes to serve;

(5) The adequacy of the project's plan for placing graduates in health professional shortage areas;

(6) The soundness of the fiscal plan for assuring effective use of grant funds;

(7) The potential of the project to continue on a self-sustaining basis after the period of grant support; and

(8) The adequacy of the project's plan to develop and use methods designed to attract and maintain minority and disadvantaged students to train as physician assistants.

(b) In determining the funding of applications approved under paragraph (a) of this section, the Secretary will consider any special factors relating to national needs as the Secretary may

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from time to time announce in the FEDERAL REGISTER.

[44 FR 36178, June 21, 1979, as amended at 52 FR 24160, June 29, 1987; 53 FR 14792, Apr. 26, 1988; 57 FR 45736, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.707 Grant award.

(a) *General.* (1) Within the limits of funds available for this purpose, the Secretary may award grants to those applicants whose projects will, in his or her judgment best promote the purposes of section 750 of the Act as determined in accordance with § 57.706.

(2) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to re compete for funds. This period, called the project period, will not exceed 5 years.

(3) Neither the approval of any project nor any grant award shall commit or obligate the United States in any way to make any additional, supplemental, continuation, or other award with respect to any approved project or portion of an approved project. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

(b) The Secretary will determine the amount of any award on the basis of his or her estimate of the sum necessary for the cost (including both direct and indirect costs) of the project.

(c) Generally, the grant will initially be funded for 1 year, and subsequent continuation awards will also be for 1 year at a time. Decisions regarding continuation awards and the funding levels of these awards will be made after consideration of such factors as the grantee's progress and management practices, existence of legislative authority, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

[44 FR 36178, June 21, 1979, as amended at 57 FR 45736, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.708 Grant payments.

The Secretary will from time to time make payments to a grantee of all or a

portion of any grant award, either in advance or by way of reimbursement.

[44 FR 36178, June 21, 1979]

§ 57.709 Purposes for which grant funds must be spent.

(a) Grant funds must be spent solely for carrying out the approved project under section 750 of the Act, these regulations, the terms and conditions of the grant award, and applicable cost principles specified in subpart Q of 45 CFR part 74.

(b) Grant funds may not be spent for sectarian instruction or for any religious purpose.

(c) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[44 FR 36178, June 21, 1979, as amended at 52 FR 24160, June 29, 1987; 57 FR 45736, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.710 What additional Department regulations apply to grantees?

Several other regulations apply to these grants. They include, but are not limited to:

42 CFR part 50, subpart D—Public Health Service grant appeals procedure

45 CFR part 16—Procedures of the Departmental Grant Appeals Board

45 CFR part 46—Protection of human subjects

45 CFR part 74—Administration of grants

45 CFR part 75—Informal grant appeals procedures

45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and

- Human Services effectuation of title VI of the Civil Rights Act of 1964
- 45 CFR part 81—Practice and procedure for hearings under part 80 of this title
- 45 CFR part 83—Regulation of the administration and enforcement of sections 794 and 855 of the Public Health Service Act
- 45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance
- 45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance
- 45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance.
- 45 CFR part 93—New restrictions on lobbying.

[52 FR 24161, June 29, 1987, as amended at 57 FR 45736, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.711 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

[61 FR 6124, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§ 57.712 Additional conditions.

The Secretary may with respect to any grant award impose additional conditions prior to or at the time of any award when, in his or her judgment, these conditions are necessary to assure or protect advancement of the grant, the interest of the public health, or the conservation of grant funds.

[44 FR 36177, June 21, 1979. Redesignated at 52 FR 24161, June 29, 1987]

Subpart I—Programs for the Training of Physician Assistants

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 701(8)(B), 90 Stat. 2247, as amended by 95 Stat. 913 and 99 Stat. 525–526 (42 U.S.C. 292a(8)(B)); renumbered as sec. 750, as amended by Pub. L. 102–408, 106 Stat. 2044 (42 U.S.C. 293n).

§ 57.801 Purpose and scope.

(a) Section 750 of the Public Health Service Act (42 U.S.C. 293n) requires the Secretary to develop regulations

for programs for the training of physician assistants. The purpose of this subpart is to comply with this requirement.

(b) The regulations in this subpart apply to all programs for the training of physician assistants supported under title VII of the Public Health Service Act.

[44 FR 36177, June 21, 1979, as amended at 52 FR 24160, June 29, 1987; 61 FR 6124, Feb. 16, 1996]

§ 57.802 Definitions.

For purpose of this subpart:

Academic year means the approximately 9–12 month period of time during which the program is in session.

Disease prevention is the health strategy which emphasizes the development of individual and community measures to protect against disease or environmental hazards and their harmful consequence.

Full-time student means a student who is enrolled in a program and pursuing a course of study which constitutes a full-time academic workload, as determined by the program, and which leads to a degree, diploma, or certificate of completion.

Geriatric medicine is the prevention, diagnosis, care and treatment of illness and disability as required by the distinct needs of the elderly.

Health professional shortage area means an area designated under section 322 of the Public Health Service Act.

Health promotion is the health strategy which emphasizes individual responsibility for one's health, and community efforts to maintain and enhance well-being through lifestyle changes.

Home health care is the provision of medical and other health care services to maintain or restore the health of an ill or disabled person in their place of residence.

Medical director means the individual responsible for providing competent medical direction of the program.

Physician assistant means an individual who is qualified by academic and clinical training to provide patient care services under the supervision and responsibility of a doctor of medicine

or osteopathic medicine. At a minimum, the physician assistant is competent to:

(1) Do the initial and follow-up evaluation of patients of various age groups in any setting to elicit a detailed and accurate history, perform an appropriate physical examination, and record and present pertinent data, including interpretive recommendations, in a manner meaningful to the physician;

(2) Perform or assist in the performance of routine laboratory and related studies as appropriate for a specific practice setting, such as blood studies, urinalyses, and electrocardiographic tracings;

(3) Perform routine therapeutic procedures such as injections, immunizations, and the assessment, suturing, and care of wounds;

(4) Instruct and counsel patients regarding physical and mental health, including matters such as nutrition, illness, treatment, normal growth and development, and age, sex, or lifestyle risk factors;

(5) Perform the following functions in a hospital setting: patient work-ups, making patient rounds, recording patient progress notes, accurately and appropriately transcribing or executing standing orders and other specific orders at the direction of the supervising physician, and compiling and recording detailed progress reports and narrative case summaries;

(6) Deliver or assist in the delivery of services, including the review and monitoring of treatment and therapy plans, to patients requiring initial or continuing care in settings other than a hospital, such as the home, nursing homes, and extended care facilities;

(7) Evaluate and treat life-threatening emergency situations;

(8) Interact with those community health services and other community resources which will facilitate the patient's care and continuity of care.

Primary care means primary care, as defined in 42 CFR 57.702.

Supervised clinical practice means direct participation in patient care by observation, examination, and performance of procedures as are appropriate for the assigned role of the student for the purposes of instruction under the

guidance and responsibility of a physician who holds a full and unrestricted license in the State in which the supervised clinical practice is located.

[44 FR 36177, June 21, 1979, as amended at 52 FR 24160, June 29, 1987; 57 FR 45737, Oct. 5, 1992]

§ 57.803 Requirements.

A program for the training of physician assistants must:

(a)(1) Be accredited as an Educational Program for the Physician Assistant by the American Medical Association's Committee on Allied Health Education and Accreditation; or

(2) Have received a Letter of Review from the Accreditation Review Committee on Education for the Physician Assistant for its plans for a program for the training of physician assistants;

(b) Have a medical director who is licensed to practice medicine or osteopathic medicine in the State in which the program is located (or any State if the program is conducted by a Federal health facility) and who is experienced in the delivery of the type of health care services for which the program provides training;

(c) Have an enrollment of not less than eight full-time students in each class;

(d) Be a minimum of 1 academic year in length;

(e) Consist of supervised clinical practice and at least 4 months (in the aggregate) of classroom instruction;

(f) Provide training to students in the areas of primary care, health promotion, disease prevention, geriatric medicine and home health care;

(g) Develop and use methods designed to encourage graduates of the program to work in health professional shortage areas, such as periods of supervised clinical practice in those areas;

(h) Develop and use methods for placing graduates in positions for which they have been trained, including methods for placing graduates in positions in health professional shortage areas; and

(i) Develop and use a method for evaluating the effectiveness of the program in training physician assistants, including:

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(1) Evaluation by faculty and students of the program in relation to its objectives;

(2) Evaluation of student performance in classroom instruction and supervised clinical practice; and

(3) Evaluation of the number of graduates employed and the characteristics of their employment, such as geographical location, setting, and functions performed; and

(4) Award a degree, diploma, or certificate of completion to individuals who have successfully completed the program.

[44 FR 36177, June 21, 1979, as amended at 52 FR 24160, June 29, 1987; 57 FR 45737, Oct. 5, 1992]

Subparts J–K [Reserved]

Subpart L—Grants for Residency Training and Advanced Education in the General Practice of Dentistry

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 786(b) of the Public Health Service Act, 90 Stat. 2317, as amended by 99 Stat. 540–541 (42 U.S.C. 295g–6(b)); redesignated as sec. 785 and amended by 102 Stat. 3130–3131 (42 U.S.C. 295g–5); renumbered as sec. 749, as amended by Pub. L. 102–408, 106 Stat. 2043–2044 (42 U.S.C. 293m).

§ 57.1101 To what projects do these regulations apply?

These regulations apply to the award of grants under section 749 of the Public Health Service Act (42 U.S.C. 293m) to public or private nonprofit schools of dentistry and to accredited postgraduate dental training institutions to meet the costs of projects to:

(a) Plan, develop and operate an approved residency training program in the general practice of dentistry or an approved advanced educational program in the general practice of dentistry; and

(b) Provide financial assistance (in the form of traineeships and fellowships) to participants in such a program who are in need of financial as-

sistance and who plan to practice general dentistry.

[52 FR 19145, May 21, 1987, as amended at 57 FR 45737, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.1102 Definitions.

As used in this subpart:

Accredited postgraduate dental training institution means a public or private nonprofit institution which operates a postgraduate dental training program that has received an accreditation classification of “accreditation eligible,” “preliminary provisional approval,” “provisional approval,” “conditional approval,” or “approval” by the Commission on Dental Accreditation.

Act means the Public Health Service Act, as amended.

Approved residency training program, approved advanced educational program, or program means a general practice residency program or an advanced educational program in general dentistry which has received an accreditation classification of “accreditation eligible,” “preliminary provisional approval,” “provisional approval,” “conditional approval,” or “approval” by the Commission on Dental Accreditation.

Budget period means an interval of time into which the project period is divided for budgetary purposes, as specified in the grant award document.

Nonprofit refers to the status of an entity which is a corporation or association, or is owned or operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Practice of general dentistry means a practice of dentistry in which the dentist:

(1) Serves as a patient’s first contact with the dental care system and provides the means of timely entry into that system;

(2) Evaluates the patient’s general medical status and relates this to anticipated dental treatment;

(3) Assumes continuing responsibility for the patient’s dental care and provides a comprehensive range of services which will minimize the need for patient referral; and

(4) Coordinates dental treatment provided by dental specialists and by dental auxiliary personnel, including dental hygienists, dental assistants, and expanded function dental auxiliaries.

Project period means the total time for which support for a project has been approved, including any extensions thereof.

School of dentistry means a public or private nonprofit school which provides training leading to a degree of doctor of dentistry or an equivalent degree and which is accredited as provided in section 799(l)(E) of the Act.

Secretary means the Secretary of Health and Human Services, and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

[43 FR 54931, Nov. 24, 1978, as amended at 52 FR 19145, May 21, 1987; 57 FR 45737, Oct. 5, 1992; 61 FR 6124, Feb. 16, 1996]

§ 57.1103 What entities are eligible to apply for a grant?

Any public or private nonprofit school of dentistry or accredited postgraduate dental training institution located in a State is eligible to apply for a grant.

[57 FR 45737, Oct. 5, 1992]

§ 57.1104 How must an entity apply for a grant?

(a) To apply for a grant under this subpart, each entity shall submit an application in the form and at such time as the Secretary may prescribe.

(b) The application must be signed by an individual authorized to act for the applicant and to assume, on behalf of the applicant, the obligations imposed by the terms and conditions of any award including the regulations of this subpart.

(c) In addition to other pertinent information that the Secretary may re-

quire, an application for a grant under this subpart must contain:

(1) A full and adequate description of the proposed project and of the manner in which the applicant intends to conduct the project and carry out the requirements of this subpart; and

(2) A budget justification for the funds requested. If the applicant requests funds for stipend support of participants, the applicant must provide evidence showing that income available from other sources, including income derived from services of the participants in the program, will be insufficient to pay their stipends and that grant funds will not be used to supplant other available funds.

(Approved by the Office of Management and Budget under control number 0915-0060)

[43 FR 54931, Nov. 24, 1978, as amended at 49 FR 38112, Sept. 27, 1984; 52 FR 19145, May 21, 1987; 57 FR 45737, Oct. 5, 1992; 62 FR 51374, Oct. 1, 1997]

§ 57.1105 What requirements must a project meet?

A project supported under this subpart must meet the following requirements:

(a) The general practice residency or advanced education program in general dentistry must be accredited by the American Dental Association Commission on Dental Accreditation;

(b) Each project must have at least two participants enrolled in the training program; and

(c) Each participant who receives stipend support must sign a statement of intent to work in the practice of general dentistry.

[62 FR 51374, Oct. 1, 1997]

§ 57.1106 How will applications be evaluated?

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposal as contained in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will award grants to applicants whose

projects will best promote the purposes of section 749 of the Act. The Secretary will approve or disapprove applications filed in accordance with § 57.1104, taking into consideration, among other factors, the degree to which:

(1) The proposal addresses the legislative intent of the program and has a well-documented rationale;

(2) The objectives of the proposed project are consistent with the program's rationale, and are measurable and achievable within the project period;

(3) The proposed project's methodology is consistent with the objectives and explained in appropriate detail;

(4) The evaluation is linked to the objectives and addresses the project outcomes;

(5) The applicant demonstrates the administrative and managerial capability to carry out the proposed project;

(6) The proposed budget is complete, appropriate, cost-effective, and clearly justified;

(7) The plan for institutionalizing the project outcomes is specific and realistic; and

(8) The proposal plans to attract, maintain, and graduate minority and disadvantaged students.

(b) In determining the funding of applications approved under paragraph 9a) of this section, the Secretary will consider any special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[62 FR 51374, Oct. 1, 1997]

§ 57.1107 How will grant awards be made?

(a) *General.* (1) Within the limit of funds available, the Secretary will award grants to those applicants whose approved projects will, in his or her judgment, best promote the purposes of section 749 of the Act, as determined in accordance with § 57.1106.

(2) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to re compete for funds. This period, called the project period, will not exceed 3 years.

(3) Generally, the grant will initially be funded for 1 year, and subsequent

continuation awards will also be for 1 year at a time. Decisions regarding continuation awards and the funding levels of these awards will be made after consideration of such factors as the grantee's progress and management practices, existence of legislative authority, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(4) Neither the approval of any project nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation or other award with respect to any approved project or any portion of an approved project. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

(b) *Determination of grant amount.* The Secretary will determine the amount of any award under this subpart on the basis of his or her estimate of the sum necessary for the cost (including both direct and indirect costs) of the project. In addition, in determining the amount of stipend support to be made available for the general practice residency program, the amount of any stipend must be limited to that portion of the annual amount normally paid to other residents by the applicant which the Secretary determines, on the basis of the documentation required in the application, cannot reasonably be paid from other available funds, including the incomes derived from the residents' services. For the advanced educational program in general dentistry, stipends for participants (who are postdoctoral students) must be paid in accordance with established Public Health Service postdoctoral stipend rates.

[43 FR 54931, Nov. 24, 1978, as amended at 57 FR 45737, Oct. 5, 1992; 61 FR 6125, Feb. 16, 1996]

§ 57.1108 How will grant payments be made?

The Secretary will, from time to time, make payments to a grantee of

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all or a portion of any grant award, either in advance or by way of reimbursement.

[43 FR 54931, Nov. 24, 1978]

§57.1109 Purposes for which grant funds may be spent.

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

(c) Grants funds may not be used for sectarian instruction or for any religious purpose.

[43 FR 54931, Nov. 24, 1978, as amended at 52 FR 19146, May 21, 1987; 57 FR 45738, Oct. 5, 1992]

§57.1110 What additional Department regulations apply to grantees?

Several other regulations apply to grants under this subpart. These include, but are not limited to:

- 42 CFR part 50, subpart D—Public Health Service grant appeals procedure
- 45 CFR part 16—Procedures of the Departmental Grant Appeals Board
- 45 CFR part 46—Protection of human subjects
- 45 CFR part 74—Administration of grants
- 45 CFR part 75—Informal grant appeals procedures
- 45 CFR part 76—Governmentwide debarment and suspension (nonprocurement) and gov-

ernmentwide requirements for drug-free workplace (grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this title

45 CFR part 83—Regulation for the administration and enforcement of section 794 and 855 of the Public Health Service Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance

45 CFR part 93—New restrictions on lobbying.

[52 FR 19146, May 21, 1987, as amended at 57 FR 45738, Oct. 5, 1992; 61 FR 6125, Feb. 16, 1996]

§57.1111 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

[61 FR 6125, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§57.1112 What additional conditions apply to grantees?

The Secretary may with respect to any grant award impose additional conditions prior to or at the time of any award when in his or her judgment these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

[43 FR 54931, Nov. 24, 1978. Redesignated at 52 FR 19146, May 21, 1987; 57 FR 45738, Oct. 5, 1992]

Subparts M–O [Reserved]

Subpart P—Loan Guarantees and Interest Subsidies to Assist in Construction of Teaching Facilities for Health Profession Personnel

AUTHORITY: Sec. 727, Public Health Service Act, 77 Stat. 170, as amended (42 U.S.C. 293g).

SOURCE: 38 FR 31836, Nov. 19, 1973, unless otherwise noted.

§ 57.1501 Applicability.

The regulations of this subpart are applicable to loan guarantees and interest subsidy payments made pursuant to section 729 of the Public Health Service Act (42 U.S.C. 293i) to assist nonprofit private entities which are eligible for grants under subpart B of this part in carrying out projects for construction of teaching facilities for health professions personnel.

§ 57.1502 Definitions.

As used in this subpart:

(a) All terms not defined herein shall have the same meanings as given them in section 724 of the Act.

(b) *Act* means the Public Health Service Act, as amended.

(c) *Secretary* means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved may be delegated.

(d) *School* means a school of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, veterinary medicine, or public health which provides a course of study or a portion thereof which leads respectively to a degree of doctor of medicine, doctor of dental surgery or an equivalent degree, doctor of osteopathy, doctor of optometry or an equivalent degree, doctor of podiatry or an equivalent degree, bachelor of science in pharmacy or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or a graduate degree in public health, and which is accredited as provided in section 721(b)(1) of the Act.

(e) *Affiliated hospital or affiliated outpatient facility* means a hospital or outpatient facility (as defined in section 645 of the Act) which, although not owned by such school, has a written

agreement with a school of medicine, osteopathy, or dentistry eligible for assistance under subpart B of this part, providing for effective control by the school of the health professions teaching program in the hospital or outpatient facility.

(f) *Nonprofit* as applied to any school, hospital, outpatient facility, or other entity means one which is owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure to the benefit of any private shareholder or individual.

(g) *Council* means the National Advisory Council on Health Professions Education (established pursuant to section 725 of the Act).

§ 57.1503 Eligibility.

(a) *Eligible applicants.* In order to be eligible for a loan guarantee or interest subsidy under this subpart, the applicant shall:

(1) Be a nonprofit private school of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, veterinary medicine, or public health, or any combination of such schools, or a nonprofit private affiliated hospital or affiliated outpatient facility: *Provided, however,* That in the case of an affiliated hospital or affiliated outpatient facility, an application which is approved by the school of medicine, osteopathy or dentistry with which the hospital or outpatient facility is affiliated and which otherwise complies with the requirements of subpart B of this part may be filed by any nonprofit private entity qualified to file an application under section 605 of the Act; and

(2) Otherwise meet the applicable requirements set forth in section 721(b) of the Act and § 57.103 with respect to eligibility for grants for construction of teaching facilities for health professions personnel.

(b) *Eligible loans.* Subject to the provisions of this subpart, the Secretary may guarantee payment, when due, of principal and interest on, or may pay interest subsidies with respect to, or may both guarantee and pay interest subsidies with respect to any loan or

portion thereof made to an eligible applicant by a non-Federal lender: *Provided*, That no such guarantee or interest subsidy shall apply to any loan the interest on which is exempt from Federal income taxation.

§ 57.1504 Application.

Each applicant desiring to have a loan guaranteed or to have interest subsidies paid on its behalf, or any combination of such loan guarantee or interest subsidies, shall submit an application for such assistance in such form and manner and at such time as the Secretary may require.¹

(a) The application shall contain or be supported by such information as the Secretary may require to enable him to make the determinations required of him under the Act and this subpart.

(b) The application shall be executed by an individual authorized to act for the applicant and to assume on behalf of the applicant the obligations imposed by the terms and conditions of any loan guarantee or agreement to pay interest subsidies, including the applicable regulations of this subpart.

[38 FR 31836, Nov. 19, 1973, as amended at 49 FR 38113, Sept. 27, 1984]

§ 57.1505 Approval of applications.

(a) *General*. Any application for loan guarantee or interest subsidies, or for a combination of both, may be approved by the Secretary, after consultation with the Council, only if he makes each of the applicable determinations set forth in section 721(c) of the Act. In addition:

(1) Any such approval shall be subject to compliance by the applicant with the applicable provisions set forth in §§ 57.106, 57.107, 57.108, and 57.110: *Provided however*, That for purposes of the title assurance in § 57.107(a) the period shall be not less than 20 years or the term of the guaranteed loan, whichever is longer or in the case of interim fa-

cilities, the term of the guaranteed loan, and

(2) Any such application may be approved by the Secretary only if he determines:

(i) That the applicant will have sufficient financial resources to enable him to comply with the terms and conditions of the loan;

(ii) That the applicant has the necessary legal authority to finance, construct, and maintain the proposed project, to apply for and receive the loan, and to pledge or mortgage any assets or revenues to be given as security for such loan;

(iii) That the loan will be made only with respect to the initial permanent financing of the project;

(iv) That the loan will be secured by a lien against the facilities to be constructed or against other security satisfactory to the Secretary specified in § 57.2210;

(v) That the rate of interest on the loan does not exceed such percent per annum as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States; and

(vi) Such additional determinations as the Secretary finds necessary with respect to particular applications in order to protect the financial interests of the United States.

(b) *Loan guarantees*. In addition to the requirements of paragraph (a) of this section, any application for a loan guarantee may be approved by the Secretary only if he determines that the loan with respect to which such guarantee is sought would not be available to the applicant on reasonable terms and conditions without such guarantee. To assist the Secretary in making such determination, each applicant for a loan guarantee shall submit statements from at least three non-Federal institutions normally engaged in making long-term loans for construction, describing whether, and the terms and conditions under which, each institution would make a loan to the applicant for the project described in the application.

(c) *Interest subsidies*. In addition to the requirements of paragraph (a) of

¹Applications and instructions are available from the Division of Facilities Conversion and Utilization, Bureau of Health Maintenance Organizations and Resources Development, Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857.

this section, any application for interest subsidies may be approved by the Secretary only if he determines that without such interest subsidy payments the applicant would not, over a substantial portion of the loan term, be able to repay the principal and interest of the loan without jeopardizing the quality of the educational program.

§ 57.1506 Priority.

(a) Priority in approving applications for loan guarantee and/or interest subsidies shall be determined in accordance with the factors specified in section 721(d) of the Act, and the following: (1) The relative need for increased enrollment and the availability of students; (2) the relative effectiveness of the project relative to the cost to the Federal Government; and (3) the relative ability of the applicant to make efficient and productive use of the facility constructed.

(b) In the case of applications to aid in the construction of new schools of medicine, osteopathy, or dentistry, the Secretary shall give special consideration to those applications which contain or are reasonably supported by assurances that, because of the use that will be made by such school of already existing facilities (including Federal medical or dental facilities), the school will be able to accelerate the date on which it will begin its teaching program.

§ 57.1507 Limitations applicable to loan guarantee.

(a) The amount of loan with respect to which a guarantee is made under this subpart shall be determined by the Secretary based upon such considerations as the availability of funds and the applicant's need therefor; *Provided*, That: (1) Subject to paragraph (a)(2) of this section, no loan with respect to which a guarantee is made for any project under this subpart may be in an amount which, when added to the amount of any grant made with respect to such project under part B of title VII of the Act or any other law of the United States, or to the total of such grants, exceeds 90 percent of the eligible cost of construction of such project as determined by the Secretary;

(2) Notwithstanding paragraph (a)(1) of this section, the Secretary may in particular cases guarantee loans in excess of the amount specified in paragraph (a)(1) of this section where he determines that, because of special circumstances, such additional loan guarantee will further the purposes of part B of title VII of the Act. In making such determinations, the Secretary will in each case consider the following factors:

(i) The need for the project in the area to be served;

(ii) The availability of financing for the project on reasonable terms and conditions without such additional loan guarantee;

(iii) Whether the project can be constructed without such additional loan guarantee; and

(iv) Other relevant factors consistent with the purpose of part B of title VII of the Act and this subpart.

(3) In determining the cost of construction of the project there shall be excluded from such cost all fees, interest, and other charges relating or attributable to the financing of the project except the following:

(i) Reasonable fees attributable to services rendered by legal counsel in connection with such loan;

(ii) With the approval of the Secretary, reasonable fees attributable to the services of a financial advisor in assisting the applicant in securing the loan and arranging for repayment thereof; and

(iii) Interest attributable to the interim financing of construction of the project prior to the initial permanent financing thereof.

(b) No loan guarantee under this subpart shall apply to more than 90 percent of the loss of principal of and interest on such loan incurred by the holder of such loan upon default by the applicant.

§ 57.1508 Amount of interest subsidy payments; limitations.

The length of time for which interest subsidy payments will be made under the agreement, the amount of loan with respect to which such payments will be made, and the level of such payments shall be determined by the Secretary on the basis of the availability

of funds and his determination of the applicant's need therefor taking into consideration his analysis of the present and reasonable projected future financial ability of the applicant to repay the principal and interest of the loan without jeopardizing the quality of its educational program: *Provided however*, That each such interest subsidy payment shall not exceed the amount necessary to reduce by 3 percent per annum the net effective interest rate otherwise payable on the loan or the portion thereof with respect to which such interest subsidy is paid.

§57.1509 Forms of credit and security instruments.

Each loan with respect to which a guarantee is made or interest subsidies are paid under this subpart shall be evidenced by a credit instrument and secured by a security instrument in such forms as may be acceptable to the Secretary.

§57.1510 Security for loans.

Each loan with respect to which a guarantee is made or interest subsidies are paid under this subpart shall be secured in a manner which the Secretary finds reasonably sufficient to insure repayment. The security may be one or a combination of the following:

(a) A first mortgage on the facility and site thereof.

(b) Negotiable stocks or bonds of a quality and value acceptable to the Secretary.

(c) A pledge of unrestricted and unencumbered income from an endowment or other trust fund acceptable to the Secretary.

(d) A pledge of a specified portion of annual general or special revenues of the applicant acceptable to the Secretary.

(e) Such other security as the Secretary may find acceptable in specific instances.

§57.1511 Opinion of legal counsel.

At appropriate stages in the application and approval procedure for a loan guarantee or interest subsidy, the applicant shall furnish to the Secretary a memorandum or opinion of legal counsel with respect to the legality of any proposed note issue, the legal author-

ity of the applicant to issue the note and secure it by the proposed collateral, and the legality of the issue upon delivery. "Legal counsel" means either a law firm or individual lawyer, thoroughly experienced in the long-term financing of construction projects, and whose approving opinions have previously been accepted by lenders or lending institutions. The legal memorandum or opinion to be provided by legal counsel in each case shall be as follows:

(a) A memorandum, submitted with the application for a loan guarantee or interest subsidy, stating that the applicant is or will be lawfully authorized to finance, construct, and maintain the project, and to issue the proposed obligations and to pledge or mortgage the assets and/or revenues offered to secure the loan, citing the basis for such authority; and

(b) A final approving opinion, delivered to the Secretary at the time of delivery of the evidence of indebtedness to the lender, stating that the credit and security instruments executed by the applicant are duly authorized and delivered and that the indebtedness of the applicant is valid, binding, and payable in accordance with the terms on which the loan guarantee was approved by the Secretary.

§57.1512 Length and maturity of loans.

The repayment period for loans with respect to which guarantees are made or interest subsidies paid under this subpart shall be limited to 30 years: *Provided*, That:

(a) The Secretary may, in particular cases where he determines that a repayment period of less than 30 years is more appropriate to an applicant's total financial plan, approve such shorter repayment period;

(b) The Secretary may, in particular cases where he determines that, because of unusual circumstances, the applicant would be financially unable to amortize the loan over a repayment period of 30 years, approve a longer requirement period which shall in no case exceed 40 years; and

(c) In no case shall a loan repayment period exceed the useful life of the facility to be constructed with the assistance of the loan.

§ 57.1513 Repayment.

Unless otherwise specifically authorized by the Secretary, each loan with respect to which a guarantee is made or interest subsidies are paid shall be repayable in substantially level total annual installments of principal and interest, sufficient to amortize the loan through the final year of the life of the loan.

§ 57.1514 Loan guarantee and interest subsidy agreements.

For each application for a loan guarantee or interest subsidy, or combination thereof, which is approved by the Secretary under this subpart, an offer to guarantee such loan and/or make interest subsidy payments with respect thereto will be sent to the applicant, setting forth the pertinent terms and conditions for the loan guarantee and/or interest subsidy, and will be conditioned upon the fulfillment of such terms and conditions. The accepted offer will constitute the loan guarantee agreement, the interest subsidy agreement, or the loan guarantee and interest subsidy agreement, as the case may be. Each such agreement shall include the applicable provisions set forth below:

(a) *Loan guarantee.* Each agreement pertaining to a loan guarantee shall include the following provisions:

(1) That the loan guarantee evidenced by the agreement shall be incontestable (i) in the hands of the applicant on whose behalf such loan guarantee is made except for fraud or misrepresentation on the part of such applicant, and (ii) as to any person who makes or contracts to make a loan to such applicant in reliance on such guarantee, except for fraud or misrepresentation on the part of such other person.

(2) That the applicant shall be permitted to prepay up to 15 percent of the original principal amount of such loan in any calendar year without additional charge. The applicant and the lender may further agree that the applicant shall be permitted to prepay in excess of 15 percent of the original

amount of the loan in any calendar year without additional charge, but no such payment in excess of 15 percent shall be made without the prior written approval of the Secretary.

(3) That if the applicant shall default in making periodic payment, when due, of the principal and interest on the loan guaranteed under the agreement, the holder of the loan shall promptly give the Secretary written notification of such default. The Secretary shall, immediately upon receipt of such notice, provide the holder with written acknowledgement of such receipt.

(4) That if such default in making periodic payment when due of the principal and interest on the guaranteed loan is not cured within 90 days after receipt by the Secretary of notice of such default, the holder of the loan shall have the right to make demand upon the Secretary, in such form and manner as the Secretary may prescribe, for payment of 90 percent of the amount of the overdue payments of principal and accrued interest, together with such reasonable late charges as are made in accordance with the terms of the credit instrument or security instrument evidencing or securing such loan. The Secretary shall pay such amount from funds available to him for these purposes.

(5) That in the event of exercise by the holder of the loan of any right to accelerate payment of such loan as a result of the applicants default in making periodic payment when due of the principal and interest on the guaranteed loan, the Secretary shall, upon demand by the holder not less than 90 days after receipt by the Secretary of notification of such default, pay to such holder 90 percent of the total amount of principal and of interest on the loan remaining unpaid after the holder has exercised his right to foreclose upon and dispose of the security and has applied the proceeds thereby received to reduce the outstanding balance of the loan, in accordance with applicable law and the terms of the security instrument.

(6) That the Secretary shall not guarantee any funds which are disbursed by a lender following notification by the Secretary to such lender that the Assurance executed by the Applicant

under section 799A of the Act is no longer satisfactory.

(b) *Interest subsidy.* Each agreement pertaining to the payment of interest subsidies with respect to a loan shall include the following provisions:

(1) That the holder of the loan shall have a contractual right to receive from the United States interest subsidy payments in amounts sufficient to reduce by up to 3 percent per annum the net effective interest rate determined by the Secretary to be otherwise payable on such loan.

(2) That payments of interest subsidies pursuant to paragraph (b)(1) of this section will be made by the Secretary, in accordance with the terms of the loan with respect to which the interest subsidies are paid, directly to the holder of such loan, or to a trustee or agent designated in writing to the Secretary by such holder, until such time as the Secretary is notified in writing by the holder that such loan has been transferred. Pursuant to such written notification of transfer, the Secretary will make such interest payments directly to the new holder (transferee) of the loan: *Provided, however,* That it shall be the responsibility of the holder to remit any payments of interest subsidy to the new holder which the Secretary may have made to the holder after such transfer and prior to receipt of such written notice, and the Secretary shall not be liable to any party for amounts remitted to the holder prior to receipt of such written notice and acknowledgment in writing by the Secretary of receipt of such notice.

(3) That the holder of the loan will promptly notify the Secretary of any default or prepayment by the applicant with respect to the loan.

(4) In the event of any exercise by the holder of the loan of the right to accelerate payment of such loan, whether as a result of default on the part of the applicant or otherwise, the Secretary's obligations with respect to the payment of interest subsidies shall cease.

(5) Where, during the life of the loan with respect to which interest subsidies are to be paid, the applicant ceases to use the facility for the purposes for which constructed, the Secretary's obligation with respect to the

payment of interest subsidies shall cease: *Provided, however,* That where the applicant is continuing to use the facility for purposes eligible for support under part B of title VII of the act, the Secretary may make a determination, based upon the health manpower needs of the community served by the facility as well as other relevant factors, to continue to make interest subsidy payments in accord with the agreement.

(6) Where during the life of the loan with respect to which interest subsidies are to be paid, it is determined, after an opportunity for a hearing pursuant to 45 CFR part 83, that the Assurance executed by the applicant under section 704 (or its predecessor, section 799A) of the Act, is no longer satisfactory, the Secretary's obligation with respect to the payment of interest subsidies shall cease: *Provided, however,* That the Secretary shall resume making interest subsidy payments if he determines that a subsequent Assurance submitted by the applicant is satisfactory.

(7) Where during the life of the loan with respect to which interest subsidies are to be paid, it is determined by the Secretary, after an opportunity for a hearing pursuant to 45 CFR parts 80 and 81, that the applicant has ceased to comply with the Assurance it has executed under 45 CFR 80.4(d) concerning nondiscrimination on the basis of race, color or national origin, the Secretary's obligation with respect to the payment of interest subsidies shall cease: *Provided, however,* That the Secretary shall resume making interest subsidy payments if he subsequently determines that the applicant has come into compliance with the requirements of title VI of the Civil Rights Act of 1964 and implementing regulations.

(8) Where during the life of the loan with respect to which interest subsidies are to be paid, it is determined by the Secretary after an opportunity for a hearing pursuant to title IX of the Education Amendments of 1972, that the applicant has ceased to comply with such title, and its implementing regulations, the Secretary's obligation with respect to the payment

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of interest subsidies shall cease: *Provided, however,* That the Secretary shall resume making interest subsidy payments if he subsequently determines that the applicant has come into compliance with the requirements of title IX of the Education Amendments of 1972 and implementing regulations.

(c) *General.* In addition to the applicable requirements of paragraphs (a) and (b) of this section, each agreement, whether pertaining to a loan guarantee or interest subsidy or both, shall contain such other provisions as the Secretary finds necessary in order to protect the financial interests of the United States.

[38 FR 31836, Nov. 19, 1973, as amended at 49 FR 38113, Sept. 27, 1984]

§ 57.1515 Loan closing.

Closing of any loan with respect to which a guarantee is made or interest subsidies are paid under this subpart shall be accomplished at such time as may be agreed upon by the parties to such loan and found acceptable to the Secretary.

§ 57.1516 Right of recovery-subordination.

(a) The United States shall be entitled to recover from the applicant for a loan guarantee under this subpart the amount of any payment made pursuant to such guarantee, unless the Secretary waives such right of recovery as provided in § 57.1517.

(b) Upon making of any payments pursuant to a loan guarantee under this subpart, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

§ 57.1517 Waiver of right of recovery.

In determining whether there is good cause for waiver of any right of recovery which he may have against any applicant by reason of any payments made pursuant to a loan guarantee under this subpart, the Secretary shall take into consideration the extent to which:

(a) The facility with respect to which the loan guarantee was made will continue to be devoted by the applicant or other owner to the teaching of health professions personnel, or to other pur-

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poses in the sciences related to health for which funds are available under part B of title VII of the act and these regulations;

(b) A hospital or outpatient facility will be used as provided for under title VI of the act;

(c) There are reasonable assurances that for the remainder of the repayment period of the loan other facilities not previously utilized for the purpose for which the facility was constructed will be so utilized and are substantially equivalent in nature and extent for such purposes; and

(d) Such recovery would seriously curtail the training of qualified health professions personnel in the area served by the facility.

§ 57.1518 Modification of loans.

No official of the Department of Health and Human Services will approve any proposal to modify the terms of a loan guaranteed under title VII of the Public Health Service Act (42 U.S.C. 293 *et seq.*) and this subpart which would permit the use of the guaranteed loan (or the guarantee) as collateral for an issue of tax-exempt securities.

(Secs. 215 and 726, Public Health Service Act, 58 Stat. 690 and 85 Stat. 432, 42 U.S.C. 216 and 293i, as amended)

[48 FR 42984, Sept. 21, 1983]

Subpart Q—Grants for Predoctoral, Graduate, and Faculty Development Edu- cation Programs in Family Medicine

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 786(a) of the Public Health Service Act, 90 Stat. 2316, and as amended by 102 Stat. 3146 (42 U.S.C. 295g–6(a)); renumbered as sec. 747, as amended by Pub. L. 102–408, 106 Stat. 2042–2043 (42 U.S.C. 293k).

§ 57.1601 To what programs do these regulations apply?

These regulations apply to the award of grants under section 747 of the Public Health Service Act (42 U.S.C. 293k) to schools of medicine or osteopathic medicine, hospitals, and other public or

private nonprofit entities for projects to: (a) Plan, develop, and operate, or participate in predoctoral, graduate, or faculty development educational programs in family medicine; and (b) provide financial assistance to trainees participating in predoctoral or graduate educational programs who are in need of financial assistance and who plan to practice family medicine or to trainees in faculty development programs who plan to teach in family medicine training programs.

[57 FR 45738, Oct. 5, 1992, as amended at 61 FR 6125, Feb. 16, 1996]

§ 57.1602 Definitions.

Act means the Public Health Service Act, as amended.

Clerkship means supervised clinical training in a specific field of medicine for predoctoral medical (M.D. or D.O.) students.

Faculty development program means a systematic training program to increase faculty competence in teaching skills and in other areas related to academic responsibilities.

Family medicine means the field of medicine, including osteopathic general practice, in which the physician:

(a) Serves as a physician of first contact with families and with patients of all ages and provides a means of entry into the health care system;

(b) Evaluates the patient's total health needs, provides personal medical care within one or more fields of medicine, and refers the patient, when indicated, to appropriate sources of care while preserving the continuity of care;

(c) Assumes responsibility with the patient for comprehensive and continuous health care and acts as a leader or coordinator of others providing health services; and

(d) Considers the patient's total health care within the context of his or her environment, including the community and the family or comparable social units.

Hospital means a public or other nonprofit hospital which is accredited by the Joint Commission on Accreditation of Hospitals or the American Osteopathic Association.

Nonprofit refers to the status of an entity which is a corporation or asso-

ciation, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Osteopathic internship program means an internship which emphasizes family medicine and is approved by the American Osteopathic Association.

Preceptorship means an educational experience in which the trainee works individually with a designated physician, the preceptor, who teaches and personally supervises clinical activity.

Predoctoral training program means an educational program in family medicine, including courses, clerkships or preceptorships in family medicine, which is part of a course of study leading to the degree of doctor of medicine or osteopathic medicine, and student assistantships in family medicine.

Residency training program means:

(a) A residency program in family practice which is fully or provisionally accredited by the Accreditation Council for Graduate Medical Education; or

(b) A postdoctoral program in osteopathic general practice which emphasizes family medicine and is approved by the American Osteopathic Association.

School of medicine or osteopathic medicine means a public or private nonprofit school in a State which provides training leading, respectively, to a degree of doctor of medicine or to a degree of doctor of osteopathic medicine and which is accredited as provided in section 799(l)(E) of the Act.

Secretary means the Secretary of Health and Human Services and any other officer or employer of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

Student assistantship means a research program in family medicine for

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predoctoral medical (M.D. or D.O.) students.

Trainee means a medical (M.D. or D.O.) student, intern, resident, or physician participating in a training program supported by a grant under these regulations.

[45 FR 68895, Oct. 16, 1980, as amended at 49 FR 11613, Mar. 26, 1984; 57 FR 45738, Oct. 5, 1992; 61 FR 6125, Feb. 16, 1996]

§ 57.1603 Who is eligible to apply for a grant?

(a) For predoctoral training programs, an applicant must be a school of medicine or osteopathic medicine located in a State.

(b) For graduate and faculty development training programs, an applicant must be located in a State and be a school of medicine or osteopathic medicine, a hospital, or a public or private nonprofit entity which provides either health or educational programs as one of its major functions.

(c) Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at such time as the Secretary may prescribe.

[45 FR 68895, Oct. 16, 1980, as amended at 57 FR 45738, Oct. 5, 1992]

§ 57.1604 What requirements must a project meet?

(a) *General requirements.* A project supported under this subpart must meet the following requirements:

(1) Each project must have a project director who works at the grantee institution or training site institution, has relevant training and experience, and has been approved by the Secretary to direct the project.

(2) Each project must have an appropriate administrative and organizational plan and appropriate faculty, staff, and facility resources for the achievement of stated objectives.

(3) Each project must systematically evaluate the educational program including trainees and faculty preceptors, the administration of the program and the degree to which program and educational objectives are met.

(4) Each project, other than a faculty development project, must use ambulatory care settings where family medicine is practiced and in which an ade-

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quate portion of the clinical training is conducted.

(5) Each project, other than a faculty development project, must have a family medicine curriculum which:

(i) Is appropriate for the academic level of the trainees and the specific length and nature of the educational program;

(ii) Supplements any practical (including clinical) experiences with related education activities; and

(iii) Emphasizes subjects pertinent to:

(A) Ambulatory care;

(B) Psychosocial skills and topics; and

(C) Related nonclinical areas relevant to the practitioner of family medicine.

(b) *Additional requirements for predoctoral training programs.* In addition to the requirements of paragraph (a) of this section, projects for predoctoral training programs must also meet the following additional requirements:

(1) The training program must be sponsored and supervised by an appropriate administrative unit in family medicine, the faculty of which participates in the preparation of the preclerkship curriculum and required courses and activities, for which faculty may be interdisciplinary, such as physical diagnosis and clinical pathological conferences, and which coordinates the predoctoral offering of clerkships and other clinical experiences oriented to family medicine.

(2) Each training program must be part of an integrated institutional strategy to provide education and training in family medicine designed to encourage an appropriate percentage of its graduates, annually, to seek graduate training in family medicine and eventually to enter a career in family medicine.

(3) For projects which include preceptorships in family medicine:

(i) The project must provide medical (M.D. or D.O.) students with ambulatory care training in a community setting.

(ii) Preceptors must have practices which are consistent with the principles of family medicine and must be

selected by the administrative unit in family medicine.

(iii) Stipend support from grant funds may be given to trainees who are not receiving academic credit for the preceptorship only if they (A) need it; (B) indicate an interest in working in the field of family medicine; and (C) engage in the preceptorship full time for at least 4 consecutive weeks. Stipend support from grant funds may be given to trainees who are receiving academic credit for the preceptorship only when the three conditions above are met and, additionally, when the trainee incurs extraordinary living expenses due to participation in the preceptorship.

(4) For projects for student assistantships:

(i) A family medicine faculty member of the administrative unit, identified under paragraph (b)(1) of this section, must supervise each student assistant.

(ii) The grantee must give preference in admission to the training program to applicants considering a career in academic family medicine.

(iii) Stipend support from grant funds may be given to trainees who are not receiving academic credit for the assistantship only if they (A) need it; (B) indicate an interest in working in the field of family medicine; and (C) engage in the assistantship full time for at least 8 consecutive weeks. Stipend support from grant funds may be given to trainees who are receiving academic credit for the assistantship only when the three conditions above are met and, additionally, when the trainees incurs extraordinary living expenses, due to participation in the assistantship.

(c) *Additional requirements for graduate training projects (except faculty development).* In addition to the requirements of paragraph (a) of this section, projects for approved or accredited residency training programs must meet the following additional requirements:

(1) Each program must have a supervisor of training with appropriate experience and training who is responsible for coordination and supervision of training in the program.

(2) Each program must use an appropriate resident or intern recruitment and selection process which assures that residents and interns in the pro-

gram have applied specifically for training in the approved graduate training program.

(3) Each program must provide education for a sufficient number of interns or residents to provide an adequate collegial environment for the educational program and to enhance cost efficiency.

(4) Each program must have an adequate number of qualified faculty with training and experience in family medicine, behavioral sciences, and liaison specialties, for the number of interns or resident in the program. The faculty of the program must engage in periodic educational activities to improve their teaching skills.

(5) Each program must provide an appropriate amount of clinical training for each intern or resident in ambulatory care settings emphasizing family medicine in each year of the training program. This training will be for the purpose of assuring an adequate education in the principles of the practice of family medicine throughout the program. In addition, each training program must provide clinical training in other ambulatory care settings relevant to family medicine, such as emergency units.

(6) Each program must have adequate facilities for the provision of the educational activities and, in particular, have family medicine ambulatory care space sufficient to provide an adequate clinical experience for the interns or residents.

(7) Each intern or resident must serve a sufficient number of families and individual patients with a variety of health care needs to provide the trainee with a broad clinical experience.

(d) *Additional requirements for faculty development programs.* (1) Each project must have a curriculum which:

(i) Directly applies to family medicine training programs;

(ii) Emphasizes improvement of pedagogical skills for clinical and classroom settings; and

(iii) Uses didactic and nondidactic teaching strategies.

(2) Only physicians who teach or intend to teach in family medicine are eligible to participate as trainees in the program.

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(3) Each program must have a sufficient number of trainees participating during the conduct of any educational activities to provide a collegial environment and to make the program cost efficient.

(4) Stipend support from grant funds may be no longer than 24 cumulative months for any trainee.

(5) To be eligible for financial assistance from grant funds, a trainee must:

(i) Intend to teach in family medicine training program on a full-time basis; and

(ii) Be a full-time participant in the training program for at least 3 months.

[45 FR 68895, Oct. 16, 1980, as amended at 49 FR 11613, Mar. 26, 1984; 54 FR 50374, Dec. 6, 1989; 57 FR 45738, Oct. 5, 1992]

§ 57.1605 How will applications be evaluated?

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will approve projects which best promote the purposes of section 747 of the Act and these regulations. The Secretary will consider, among other factors:

(1) The degree to which the proposed project provides for the project requirements in § 57.1604;

(2) The administrative and management ability of the applicant to carry out the proposed project in a cost-effective manner; and

(3) The potential of the project to continue on a self-sustaining basis.

(b) In determining the funding of projects approved under paragraph (a) of this section, the Secretary will consider any special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[45 FR 68895, Oct. 16, 1980, as amended at 49 FR 11613, Mar. 26, 1984; 53 FR 14792, Apr. 26, 1988; 61 FR 6125, Feb. 16, 1996]

§ 57.1606 How long does grant support last?

(a) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to re compete for funds. This period, called the project period, will not exceed 5 years.

(b) Generally, the grant will initially be funded for 1 year, and subsequent continuation awards will also be for 1 year at a time. Decisions regarding continuation awards and the funding levels of these awards will be made after consideration of such factors as the grantee's progress and management practices, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation or other award with respect to any approved application or portion of an approved application. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

[45 FR 68895, Oct. 16, 1980, as amended at 57 FR 45739, Oct. 5, 1992]

§ 57.1607 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) Grantees may not spend grant funds for sectarian instruction or for any religious purpose.

(c) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the grantee for that period, including any

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unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[45 FR 68895, Oct. 16, 1980, as amended at 57 FR 45739, Oct. 5, 1992]

§ 57.1608 What additional Department regulations apply to grantees?

Several other regulations apply to these grants. They include, but are not limited to:

- 42 CFR part 50, subpart D—Public Health Service grant appeals procedure
- 45 CFR part 16—Procedures of the Departmental Grant Appeals Board
- 45 CFR part 46—Protection of human subjects
- 45 CFR part 74—Administration of grants
- 45 CFR part 75—Informal grant appeals procedures
- 45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)
- 45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964
- 45 CFR part 81—Practice and procedure for hearings under part 80 of this title
- 45 CFR part 83—Regulation for the administration and enforcement of Sections 794 and 855 of the Public Health Service Act
- 45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance
- 45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance
- 45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance
- 45 CFR part 93—New restrictions on lobbying.

[49 FR 38113, Sept. 27, 1984; 49 FR 40406, Oct. 16, 1984, as amended at 57 FR 45739, Oct. 5, 1992; 61 FR 6125, Feb. 16, 1996]

§ 57.1609 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the re-

quirements of 45 CFR part 74 concerning audit and inspection.

[61 FR 6125, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§ 57.1610 Additional conditions.

The Secretary may impose additional conditions on any grant award before or at the time of an award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

[45 FR 68895, Oct. 16, 1980. Redesignated at 49 FR 11613, Mar. 26, 1984]

Subpart R—Grants for the Establishment of Departments of Family Medicine

AUTHORITY: Sec. 215, Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 780, Public Health Service Act, 90 Stat. 2311, as amended by 95 Stat. 221 and 102 Stat. 3146 (42 U.S.C. 295g); renumbered as sec. 747, as amended by Pub. L. 102-408, 106 Stat. 2042-2043 (42 U.S.C. 293k).

§ 57.1701 To what programs do these regulations apply?

These regulations apply to the award of grants under section 747 of the Public Health Service Act (42 U.S.C. 293k) to schools of medicine and osteopathic medicine to meet the costs of projects to establish, maintain, or improve academic administrative units to provide clinical instruction in family medicine. These projects may include:

(a) The planning and development of model predoctoral, faculty development, and graduate medical education programs; and

(b) Academic and clinical activities relevant to the field of family medicine.

[48 FR 20215, May 4, 1983, as amended at 57 FR 45739, Oct. 5, 1992; 60 FR 28067, May 30, 1995]

§ 57.1702 Definitions.

Academic administrative unit or *unit* means a department, division, or other formal academic unit of a school of medicine or osteopathic medicine or clinical campuses of such schools that

provides clinical instruction in family medicine.

Act means the Public Health Service Act, as amended.

Clinical campus means a geographically separate educational entity of an accredited medical school that is recognized and identified as a clinical campus by the American Academy of Family Physicians and that has been given the responsibility to coordinate or provide all clinical training for that clinical campus.

Family medicine includes "osteopathic general practice" and means the field of medicine in which the physician:

(a) Serves as a physician of first contact with families and patients of all ages and provides a means of entry into the health care system;

(b) Evaluates the patient's total health needs, provides personal medical care within one or more fields of medicine, and refers the patient, when indicated, to appropriate sources of care while preserving the continuity of care;

(c) Assumes responsibility with the patient for comprehensive and continuous health care and acts as a leader or coordinator of others providing health services; and

(d) Considers the patient's total health care within the context of his or her environment, including the community and the family or comparable social units.

Nonprofit refers to the status of an entity which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Other major clinical units means formal academic units at the applicant school or its clinical campus that offer clinical instruction in internal medicine, obstetrics and gynecology, pediatrics, psychiatry, or surgery.

Residency training program means a 3-year residency program in family practice that is fully or provisionally accredited by the Accreditation Council for Graduate Medical Education, or the equivalent of such a program as determined by the Secretary. In the case of osteopathic medicine, a postgraduate

program of no less than 2 years' duration, including the osteopathic internship, as approved or provisionally approved by the American Osteopathic Association will be deemed such an equivalent.

School of medicine or osteopathic medicine means a public or private nonprofit school in a State which provides training leading, respectively, to a degree of doctor of medicine or to a degree of doctor of osteopathic medicine and which is accredited as provided in section 799(1)(E) of the Act.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

[48 FR 20215, May 4, 1983, as amended at 57 FR 45739, Oct. 5, 1992; 60 FR 28067, May 30, 1995; 61 FR 6125, Feb. 16, 1996]

§ 57.1703 Who is eligible to apply for a grant?

Any school of medicine or osteopathic medicine which is located in a State is eligible to apply for a grant. Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at such time as the Secretary may prescribe.

[57 FR 45739, Oct. 5, 1992]

§ 57.1704 Program requirements.

Existing units supported under this subpart must meet all the requirements of this section no later than 12 months after initial award of the grant. Units which are being established with the aid of grants under this subpart must meet the requirement of paragraph (a) of this section no later than 12 months after initial award, and the remaining requirements of this section no later than 24 months after initial award of the grant. However, within the first 12 months of grant support,

units which are being established must submit a continuation application. This application is expected to include a plan which details, in a format determined by the applicant, how the remaining project requirements will be met by the end of the second year of grant support. In addition to units that are initially establishing under this subpart, those that change organizational status (i.e., from division to department) are also considered establishing units for the purpose of this subpart. Those that maintain organizational status are considered existing units.

(a) Each project must have a project director, who works at the grantee institution in an administrative unit of the grantee institution on an appointment consistent with other major departments, heads or will head the unit, and has relevant training and experience in family medicine.

(b) The unit must have academic status comparable to that of one of the other major clinical units at the institution.

(c) The unit must have administrative autonomy comparable to that of other academic units.

(d) The unit must have control over a residency training program. The program must have the capacity to enroll a total of at least 9 interns or residents annually. A unit whose applicant school or clinical campus does not have a residency program accredited under its direct authority will be considered as meeting this requirement if it has a written affiliation agreement with a hospital which conducts a residency program as described.

(e) The unit (or units in the case of schools with one or more decentralized units) must have responsibility for providing instruction to each member of the student body who is engaged in an education program leading to a degree in doctor of medicine or doctor of osteopathic medicine. The amount of mandatory and elective curriculum must be comparable to the amount of mandatory and elective curriculum time required for other major clinical units at the school.

(f) The unit must have, in the judgment of the Secretary, a sufficient number of full-time faculty to conduct

the instruction. The number of family medicine faculty in the unit must be comparable to that of full-time faculty responsible for conducting the instruction of one of the other major clinical units either at the school or at the clinical campus, whichever is the same as the unit receiving the grant funds.

(g) Each project must evaluate the program of instruction required in paragraph (f) of this section, including evaluation of faculty competence, the administration of the program, and the degree to which program objectives are met.

(h) Where projects include the planning and development of model predoctoral, faculty development, or graduate medical education programs, those programs must be designed to eventually meet the requirements of the regulations implementing section 747 of the Act, 42 CFR part 57, subpart Q.

(Approved by the Office of Management and Budget under control number 0915-0060)

[48 FR 20215, May 4, 1983, as amended at 57 FR 45739, Oct. 5, 1992; 60 FR 28067, May 30, 1995]

§ 57.1705 How will applications be evaluated?

As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will award grants to applicants whose projects will best promote the purposes of section 747 of the Act and this subpart. The Secretary will consider, among other factors:

(a) The degree to which the proposed project adequately provides for the project requirements in § 57.1704;

(b) The administrative and management capability of the applicant to carry out the proposed project in a cost-effective manner;

(c) The qualifications of the proposed staff and faculty of the unit; and

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(d) The potential of the project to continue on a self-sustaining basis.

[48 FR 20215, May 4, 1983, as amended at 60 FR 28067, May 30, 1995]

§ 57.1706 How long does grant support last?

(a) The notice of grant award specifies how long the Secretary intends to support the project without requiring the project to recompete for funds. This period, called the project period, will not exceed 5 years.

(b) Generally, the grant will initially be funded for 1 year and subsequent noncompeting continuation awards will also be for 1 year at a time. Decisions regarding noncompeting continuation awards and the funding levels of these awards will be made after consideration of such factors as the grantee's progress and management practices, and the availability of funds. In all cases, noncompeting continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(c) Neither the approval of any application, nor the award of any grant, shall commit or obligate the United States in any way to make any additional, supplemental, noncompeting continuation or other award with respect to any approved application or portion of an approved application. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

[48 FR 20215, May 4, 1983, as amended at 57 FR 45739, Oct. 5, 1992]

§ 57.1707 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, the terms and conditions of the grant award, and the applicable cost principles in subpart Q of 45 CFR part 74, and these regulations.

(b) Grantees may not spend grant funds for sectarian instruction or for any religious purpose.

(c) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget pe-

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riod may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amount awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[48 FR 20215, May 4, 1983, as amended at 57 FR 45740, Oct. 5, 1992]

§ 57.1708 What additional Department regulations apply to grantees?

Several other regulations apply to grants under the subpart. These include, but are not limited to:

42 CFR part 50, subpart D—Public Health Service grant appeals procedure

45 CFR part 16—Procedures of the Departmental Grant Appeals Board

45 CFR part 46—Protection of human subjects

45 CFR part 74—Administration of grants

45 CFR part 75—Informal grant appeals procedures

45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this title

45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in HHS Programs or activities receiving Federal financial assistance

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45 CFR part 93—New restrictions on lobbying.

[49 FR 38114, Sept. 27, 1984, as amended at 57 FR 45740, Oct. 5, 1992; 61 FR 6125, Feb. 16, 1996]

§ 57.1709 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

[60 FR 38970, July 31, 1995]

§ 57.1710 Additional conditions.

The Secretary may impose additional conditions on any grant award before or at the time of an award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

[48 FR 20215, May 4, 1983]

Subpart S—Educational Assistance to Individuals From Disadvantaged Backgrounds

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 787 of the Public Health Service Act, 90 Stat. 2317, as amended by 95 Stat. 923, 99 Stat. 541, and 102 Stat. 3131-3132 (42 U.S.C. 295g-7); renumbered as sec. 740, as amended by Pub. L. 102-408, 106 Stat. 2032-2033 (42 U.S.C. 293d).

§ 57.1801 To what grant program do these regulations apply?

These regulations apply to grants to eligible schools and entities under section 740 of the Public Health Service Act (42 U.S.C. 293d) to assist individuals from disadvantaged backgrounds to enter and graduate from health professions schools and schools of allied health.

[47 FR 54438, Dec. 3, 1982, as amended at 61 FR 6125, Feb. 16, 1996]

§ 57.1802 Definitions.

Act means the Public Health Service Act, as amended.

Allied health professions means professions which support, complement, or supplement the professional functions

of physicians, dentists, and other health professionals in the delivery of health care to patients, or assist environmental engineers and other personnel in environmental health control and preventive medicine activities.

Community-based program means a program whose organizational headquarters is located in and which primarily serves: A Metropolitan Statistical Area, as designated by the Office of Management and Budget; a Bureau of Economic Analysis, U.S. Department of Commerce designated non-metropolitan economic area; a county; or Indian tribe(s) as defined in 42 CFR 36.102(c), i.e., an Indian tribe, band, nation, rancheria, Pueblo, colony or community, including an Alaska Native Village or regional or village corporation.

Health professions means the professions of medicine, dentistry, osteopathic medicine, pharmacy, optometry, podiatric medicine, veterinary medicine, public health, chiropractic, health administration, and clinical psychology.

Health professions schools means schools of medicine, dentistry, osteopathic medicine, pharmacy, optometry, podiatric medicine, veterinary medicine, public health, chiropractic, graduate programs in health administration, or graduate programs in clinical psychology, as defined in section 799(1)(A), (B), (C), and (D) of the Act and as accredited in section 799(1)(E) of the Act.

National of the United States (as defined in 8 U.S.C. 1101(a)(22), the Immigration and Nationality Act) means a citizen of the United States or a person who, though not a citizen of the United States, owes permanent allegiance to the United States.

Nonprofit refers to the status of an entity which is a corporation or association, or is owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

School of allied health means a public or private nonprofit college, junior college, university or hospital-based educational entity which provides or is accredited to provide a degree program in

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an allied health discipline and which meets all the criteria in section 799(4) of the Act.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands and the Federated States of Micronesia.

[45 FR 73052, Nov. 4, 1980, as amended at 47 FR 54438, Dec. 3, 1982; 56 FR 40564, Aug. 15, 1991; 57 FR 45740, Oct. 5, 1992; 61 FR 6125, Feb. 16, 1996]

§ 57.1803 Who is eligible to apply for a grant?

(a) Health professions schools, schools of allied health, and public or private nonprofit health or educational entities which are located in a State and provide health or educational programs as one of their major functions may apply for a grant under this subpart. Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at such time as the Secretary may prescribe.

(b) Applicants which offer degree programs in the allied health professions must meet relevant standards and guidelines established by appropriate:

- (1) Accrediting bodies recognized by the Secretary of Education, or
- (2) Federal or State agencies.

[45 FR 73052, Nov. 4, 1980, as amended at 56 FR 40565, Aug. 15, 1991; 57 FR 45740, Oct. 5, 1992]

§ 57.1804 Who is eligible for educational assistance?

To be eligible for educational assistance under this program, an individual must:

- (a) Be a resident of the United States and either a citizen or national of the United States, an alien lawfully admitted for permanent residence in the United States, a citizen of the Commonwealth of the Northern Mariana Islands, a citizen of the Republic of

Palau, a citizen of the Republic of the Marshall Islands, or a citizen of the Federated States of Micronesia;

- (b) Have completed at least the junior year of high school (or its equivalent), except in the case of Model Demonstration programs; and

- (c) Come from a disadvantaged background. For this program, an individual from a disadvantaged background is one who:

- (1) Comes from an environment that has inhibited the individual from obtaining the knowledge, skill, and abilities required to enroll in and graduate from a health professions school, or from a program providing education or training in an allied health profession; or

- (2) Comes from a family with an annual income below a level based on low income thresholds according to family size published by the U.S. Bureau of the Census, adjusted annually for changes in the Consumer Price Index, and adjusted by the Secretary for use in all health professions programs. The Secretary will periodically publish these income levels in the FEDERAL REGISTER.

[45 FR 73052, Nov. 4, 1980, as amended at 47 FR 54438, Dec. 3, 1982; 56 FR 40565, Aug. 15, 1991; 61 FR 6126, Feb. 16, 1996]

§ 57.1805 Program requirements.

(a) The Secretary will award grants to meet the cost of carrying out one or more of the following five purposes:

- (1) To identify individuals from disadvantaged backgrounds for education in the health or allied health professions through the development and application of criteria for this purpose, and to recruit these individuals through motivational activities which may involve dissemination of information, exposure to role models and health facilities, and counseling.

- (2) To provide individuals from disadvantaged backgrounds, for a period prior to their entry into a regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education in a health professions school or school of allied health, or to refer them to institutions

which provide it. Preliminary education in this context is education designed to expand the academic ability of disadvantaged students during their preprofessional training. It may not include classes already taught as part of the regular course of education leading to a high school diploma or undergraduate degree. It may not be offered to students before they complete the junior year of high school.

(3) To provide information to individuals from disadvantaged backgrounds about financial aid available to students in health professions schools, or schools of allied health, or schools and entities which provide training necessary to qualify for enrollment in health professions schools or schools of allied health.

(4) To facilitate the entry of individuals from disadvantaged backgrounds into health professions schools or schools of allied health by engaging in activities which assist them to compete for admission, such as instruction designed to improve their performance on admission tests, and by assisting admission committees with the evaluation of disadvantaged applicants.

(5) To provide counseling or other retention services, such as tutorial assistance and assistance in adjusting to the environment of the school, which are designed to help individuals from disadvantaged backgrounds who are enrolled in health professions schools or schools of allied health to complete this education.

(b) The grantee must carry out at least two of the five purposes, even if grant funds are requested or awarded for only one of them.

(c) The grantee must evaluate its program based on the plan provided in the grant application.

(d) Grantees which: (1) Are schools of medicine, osteopathic medicine, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, podiatric medicine, and public and private nonprofit schools that offer graduate programs in clinical psychology; and

(2) Have a proportionate enrollment of individuals from disadvantaged backgrounds that is less than 200 percent of the national average percentage of such individuals in all schools of

each health professions discipline must assure the Secretary that during a period of 3 years, commencing on the date of the award of the grant, they will increase their first-year enrollment of individuals from disadvantaged backgrounds by at least 20 percent over enrollments in the base year of 1987.

[45 FR 73052, Nov. 4, 1980, as amended at 56 FR 40565, Aug. 15, 1991; 56 FR 43648, Sept. 3, 1991; 57 FR 45740, Oct. 5, 1992]

§ 57.1806 How will applications be evaluated?

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will decide which applications to approve by considering, among other factors:

(1) The degree to which the proposed project adequately provides for the requirements in § 57.1805;

(2) The number and types of individuals who can be expected to benefit from the project;

(3) The administrative and management ability of the applicant to carry out the proposed project in a cost-effective manner;

(4) The adequacy of the staff and faculty;

(5) The soundness of the budget; and

(6) The potential of the project to continue without further support under this program.

(b) Within the limits of funds available, the Secretary will award grants to approved applicants with projects that will best promote the purposes of section 740 of the Act. Of the amounts appropriated under this section for any fiscal year, 10 percent shall be obligated for community-based programs and 70 percent shall be obligated for grants to institutions of higher education and not more than 5 percent of such funds may be obligated for grants having the primary purpose of informing individuals about the existence and

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general nature of health careers. Section 740(a)(2)(G) authorizes the payment of such stipends as the Secretary may approve for participants in a project for any period of education at any school eligible for a grant under this subpart.

(c) *Funding priority.* (1) In determining the funding of applications approved under paragraph (a) of this section, the Secretary shall give priority to schools described in § 57.1805(d), beginning in fiscal year 1992—

(i) Which previously received a grant under this subpart and increased its first-year enrollment of individuals from disadvantaged backgrounds by at least 20 percent over that enrollment in the base year 1987 by the end of 3 years from the date of the award of the HCOP grant; and

(ii) Which had not previously received a grant under this subpart that increased its first-year enrollment of individuals from disadvantaged backgrounds by at least 20 percent over that enrollment in the base year 1987, over any period of time.

(2) In addition, should specific needs warrant, the Secretary will also consider other special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[45 FR 73052, Nov. 4, 1980, as amended at 56 FR 40565, Aug. 15, 1991; 56 FR 43648, Sept. 3, 1991; 61 FR 6126, Feb. 16, 1996]

§ 57.1807 How long does grant support last?

(a) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to re compete for funds. This period, called the project period, will not exceed 3 years.

(b) Generally, the grant will initially be funded for 1 year, and subsequent continuation awards will also be funded for 1 year at a time. Decisions regarding continuation awards and the funding levels of these awards will be made after consideration of factors such as the grantee's progress and management practices, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued fund-

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ing is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation or other award with respect to any approved application or portion of an approved application. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

[45 FR 73052, Nov. 4, 1980, as amended at 56 FR 40565, Aug. 15, 1991; 57 FR 45740, Oct. 5, 1992]

§ 57.1808 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) Any balance of federally-obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during the budget period it becomes apparent to the Secretary that the amount of Federal funds provided and made available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts provided by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

(c) The grantee may spend grant funds to provide one round trip for each individual in the program between his or her residence and the training site if:

(1) The training site is beyond a reasonable commuting distance and requires the individual to establish a temporary new residence; and

(2) The educational assistance is not offered at a time when the individual would be at the training site as a student in a regular course of education

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leading to a high school diploma, associate degree, undergraduate degree, or degree in the health or allied health professions.

(d) The grantee may spend grant funds to pay individuals in the program a stipend when the grantee determines that:

(1) The condition in paragraph (c)(2) of this section exists;

(2) No other Federal financial assistance program is authorized to provide this support; and

(3) The individual needs this support to participate in the program.

(e) The grantee may not spend grant funds to pay tuition or fees, train program staff, retrain health professionals, or for sectarian instruction, or for any religious purpose.

[45 FR 73052, Nov. 4, 1980, as amended at 56 FR 40566, Aug. 15, 1991]

§ 57.1809 What additional Department regulations apply to grantees?

Several other Department regulations apply to grantees. They include but are not limited to:

42 CFR part 50, subpart D—Public Health Service grant appeals procedure

45 CFR part 16—Procedures of the Departmental Grant Appeals Board

45 CFR part 46—Protection of human subjects

45 CFR part 74—Administration of grants

45 CFR part 75—Informal grant appeals procedures

45 CFR part 76—Governmentwide debarment and suspension (non-procurement) and governmentwide requirements for drug-free workplace (grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this title

45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance

45 CFR part 93—New restrictions on Lobbying

[49 FR 38114, Sept. 27, 1984, as amended at 56 FR 40566, Aug. 15, 1991; 57 FR 45740, Oct. 5, 1992; 61 FR 6126, Feb. 16, 1996]

§ 57.1810 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

[61 FR 6126, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§ 57.1811 Additional conditions.

The Secretary may impose additional conditions on any grant award before or at the time of any award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

[45 FR 73052, Nov. 4, 1980]

Subpart T [Reserved]

Subpart U—Armed Forces Health Professions Scholarship Program

AUTHORITY: Sec. 2(a), Pub. L. 92-426, 86 Stat. 719 (10 U.S.C. 2127(d)).

SOURCE: 38 FR 20447, Aug. 1, 1973, unless otherwise noted.

§ 57.2001 Applicability.

In the event the Secretary of Defense decides to enter into one or more contracts under 10 U.S.C. 2127(d), the regulations in this subpart outline considerations the Secretary of Defense will take into account in determining whether an accredited civilian educational institution has increased its total enrollment for the sole purpose of accepting members of the Armed Forces health professions scholarship program.

§ 57.2002 Definitions.

As used in this subpart:

(a) *Institution* means a college, university, or other institution or a department, division, or other administrative unit within a college, university, or other institution, which provides primarily or exclusively a course of study in medicine, dentistry, or other health profession, as determined under regulations prescribed by the Secretary of Defense, leading to a degree in one of said health professions, and which is accredited by an accrediting agency or association recognized by the United States Commissioner of Education.

(b) *Enrollment* in any fiscal year means the number of full-time students enrolled in an institution on October 15 of said year and pursuing a course of study which constitutes a full-time academic workload, as determined by the institution, leading to a degree in medicine, dentistry, or other health profession, as determined under regulations prescribed by the Secretary of Defense: *Provided*, That if the Secretary of Defense finds that a date other than October 15 would more accurately reflect an institution's enrollment in any fiscal year, the Secretary of Defense may use such other date in place of October 15 in making his determination under this subpart.

(c) *Fiscal year* means the Federal fiscal year beginning July 1 and ending on the following June 30.

(d) *Program* means the Armed Forces health professions scholarship program established under section 2(a) of the Uniformed Services Health Professions Revitalization Act of 1972 (86 Stat. 713, Pub. L. 92-426), and codified in chapter 105 of 10 U.S.C.

§ 57.2003 Determinations of increased enrollment solely for the program.

In the event the Secretary of Defense decides to enter into one or more contracts under 10 U.S.C. 2127(d), his determination as to whether an institution has increased its total enrollment in any fiscal year for the sole purpose of accepting members of the program will take into account the following considerations:

(a) A comparison of the total enrollment in said fiscal year with the total enrollments in immediately preceding fiscal years;

(b) Any increases in enrollment to which the institution has directly or indirectly committed itself in said fiscal year under: (1) Other Federal programs, such as those set forth in title VII and VIII of the Public Health Service Act (42 U.S.C. 292 *et seq.*), the Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972 (Pub. L. 92-541, 86 Stat. 1100 (38 U.S.C. 5070 *et seq.*)) and section 225 of the Public Health Service Act (sec. 5, Pub. L. 92-585, 86 Stat. 1293 (42 U.S.C. 234)); (2) programs of State or local governments or other public or private agencies, or (3) any legally binding arrangement: *Provided*, That insofar as a single increase may be applied to satisfy the commitments under two or more programs and/or other arrangements, said increase shall be considered to meet all such commitments;

(c) Any unusual factors, such as: (1) An institution having been newly established or (2) an institution experiencing what is for it an abnormal rate of attrition and/or admission.

Subpart V—Grants for Centers of Excellence

AUTHORITY: Sec. 788A of the Public Health Service Act, Pub. L. 100-97, 101 Stat. 713-714 (42 U.S.C. 295g-8a), and redesignated as section 782, as amended by Pub. L. 100-607, 102 Stat. 3136 (42 U.S.C. 295g-2); renumbered as sec. 739, as amended by Pub. L. 102-408, 106 Stat. 2027-2031 (42 U.S.C. 293c).

SOURCE: 54 FR 28067, July 5, 1989, unless otherwise noted.

§ 57.2101 To what projects do these regulations apply?

These regulations apply to grants awarded to public or nonprofit private health professions schools under section 739 of the Public Health Service Act (42 U.S.C. 293c) to assist such schools in supporting programs of excellence in health professions education for minority individuals.

[54 FR 28067, July 5, 1989, as amended at 61 FR 6126, Feb. 16, 1996]

§ 57.2102 Definitions.

Act means the Public Health Service Act, as amended.

Health professions school means any accredited school of medicine, dentistry, osteopathic medicine, pharmacy, optometry, podiatric medicine, veterinary medicine, public health, and chiropractic or graduate programs in health administration, or graduate programs in clinical psychology, as defined in section 799(1) (A), (B), (C), and (D) of the Act and as accredited in section 799(1)(E) of the Act.

Minority means an individual whose race/ethnicity is classified as American Indian or Alaskan Native, Asian or Pacific Islander, Black, or Hispanic.

Nonprofit refers to the status of an entity which is a corporation or association, or is owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

[54 FR 28067, July 5, 1989, as amended at 57 FR 45740, Oct. 5, 1992; 61 FR 6126, Feb. 16, 1996]

§ 57.2103 Who is eligible to apply for a grant?

A health professions school described in section 799(1) (A), (B), (C), and (D) of the Act which has received support under section 788B (Advanced Financial Distress Assistance) of the Act for Fiscal Year 1987, may apply for a grant under this subpart. Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at the time the Secretary may prescribe.

[54 FR 28067, July 5, 1989, as amended at 57 FR 45740, Oct. 5, 1992; 61 FR 6126, Feb. 16, 1996]

§ 57.2104 Project requirements.

(a) The Secretary will award grants to meet the cost of carrying out three or more of the following six purposes, one of which must be the purpose provided in paragraph (a)(1) of this section:

(1) Develop a plan to achieve institutional improvements, including financial independence, to enable such school to support programs of excellence in health professions education for minority individuals. This plan must be submitted within 6 months of the date of grant award;

(2) Improve the capacity of such school to recruit and retain faculty;

(3) Provide improved access to the library and information resources of such school;

(4) Establish, strengthen, or expand programs to enhance the academic performance of students in such school;

(5) Establish, strengthen, or expand programs to increase the number and quality of applicants for admission to such school. Activities designed to increase the number and quality of applicants to these schools may not be offered to students prior to the ninth grade; and

(6) Develop curricula and carry out faculty training programs in order to enable such school to become, for the Nation's health care providers, a resource with respect to the health problems of minority communities, such as higher infant mortality rates and higher incidences of acquired immunodeficiency syndrome.

(b) Each project must evaluate its program based on the evaluation plan provided in the grant application.

§ 57.2105 How will applications be evaluated?

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will decide which applications to approve by considering, among other factors:

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(1) The degree to which the applicant can arrange to continue the proposed project beyond the federally funded project period;

(2) The degree to which the proposed project meets three or more of the purposes as described in § 57.2104;

(3) The relationship of the objectives of the proposed project to the goals of the plan that will be developed pursuant to § 57.2104(a)(1);

(4) The administration and managerial ability of the applicant to carry out the project in a cost effective manner;

(5) The adequacy of the staff and faculty to carry out the program;

(6) The soundness of the budget for assuring effective utilization of grant funds, and the proportion of total program funds which come from non-federal sources and the degree to which they are projected to increase over the grant period;

(7) The number of individuals who can be expected to benefit from the project; and

(8) The overall impact the project will have on strengthening the school's capacity to train minority health professionals and increase the supply of minority health professionals available to serve minority populations in underserved areas.

(b) In determining the funding of applications approved under paragraph (a) of this section, the Secretary will consider any special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[38 FR 20447, Aug. 1, 1973, as amended at 61 FR 6126, Feb. 16, 1996]

§ 57.2106 How long does grant support last?

(a) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to recompete for funds. This period, called the project period, will not exceed 3 years.

(b) Generally, the grant will initially be funded for 1 year, and subsequent continuation awards will also be for 1 year at a time. Decisions regarding the continuation awards and the funding levels of these awards will be made after consideration of such factors as

the grantee's progress, including the degree that the projected portion of non-federal funds supporting the project has been met, and management practices, the existence of legislative authority, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation, or other award with respect to any approved application or portion of an approved application. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

§ 57.2107 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

(c) The grantee may spend grant funds to pay individual participants in the program a per diem when the grantee determines that—

(1) The training program requires the individual to establish a temporary new residence;

(2) The program is offered at a time when the individual would not be at the training site in a regular course of education or employed as a faculty member at that institution; and

(3) No other Federal financial assistance program is authorized to provide this support.

(d) The grantee may spend grant funds to provide one round trip per participant between the place of residence and the training site, provided that conditions in paragraphs (c)(1) and (2) of this section are met.

(e) The grantee may not spend grant funds for stipends, licensing exams, loan or scholarship support, support of research faculty or projects and related activities, establishment of research centers, establishment of planning offices, support of commercial ventures, entertainment, dependency allowances, new construction of facilities, acquisition of land, fund raising, or for sectarian instruction or any religious purpose.

[54 FR 28067, July 5, 1989, as amended at 57 FR 45740, Oct. 5, 1992]

§ 57.2108 What additional Department regulations apply to grantees?

Several other regulations apply to grants under this subpart. These include, but are not limited to:

42 CFR part 50, subpart D—Public Health Service grant appeals procedure

45 CFR part 16—Procedures of the Departmental Grant Appeals Board

45 CFR part 46—Protection of human subjects

45 CFR part 74—Administration of grants

45 CFR part 75—Informal grant appeals procedures

45 CFR part 76—Governmentwide Debarment and Suspension (non-procurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this Title

45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance

45 CFR part 93—New restrictions on lobbying.

[54 FR 28067, July 5, 1989, as amended at 57 FR 45740, Oct. 5, 1992; 61 FR 6126, Feb. 16, 1996]

§ 57.2109 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

[61 FR 6126, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§ 57.2110 Additional conditions.

The Secretary may impose additional conditions on any grant award before or at the time of any award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

Subpart W—Physician Shortage Area Scholarship Grants

AUTHORITY: Sec. 215, 58 Stat. 690, as amended (42 U.S.C. 216).

SOURCE: 39 FR 28730, Aug. 9, 1974, unless otherwise noted.

§ 57.2201 Applicability.

The regulations of this subpart are applicable to scholarship grants awarded under section 784 of the Public Health Service Act, which authorizes the Secretary to award scholarship grants to students of medicine and osteopathy who agree to engage in the full-time practice of primary care for a prescribed period of time (a) in a physician shortage area or (b) in such manner as to assure that of the patients receiving medical care in such practice a substantial portion will consist of migratory agricultural workers or members of their families.

§ 57.2202 Definitions.

As used in this subpart, the following terms shall have the following meanings:

(a) *Act* means the Public Health Service Act, as amended.

(b) *Secretary* means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

(c) *School* means a public or other nonprofit school of medicine or osteopathy which provides a course of study, or a portion thereof, which leads respectively to a degree of Doctor of Medicine or Doctor of Osteopathy and which is accredited as provided in section 721(b)(1)(B) of the Act.

(d) *Scholarship grant* means the amount of money awarded to an individual by the Secretary for an academic year pursuant to section 784(a) of the Act.

(e) *Full-time student* means a student who is enrolled, or accepted for enrollment, in a school and pursuing a course of study which constitutes a full-time academic workload, as determined by the school, leading to a degree specified in paragraph (c) of this section.

(f) *Academic year* means the traditional, approximately 9-month September to June annual session. For the purpose of computing academic year equivalents for students who, during a 12-month period, attend for a longer period than the traditional academic year, the academic year will be considered to be of 9 months' duration.

(g) *National of the United States* means (1) a citizen of the United States or (2) a person who, though not a citizen of the United States, owes permanent allegiance to the United States (8 U.S.C. 1101(a)(22)).

(h) *Professional training* means the course of study leading to the degree of doctor of medicine or doctor of osteopathy, plus a period, not to exceed a total of four years, of internship and residency training.

(i) *Low-income background* as applied to any individual means that the individual comes from a family with an annual income below low-income levels developed pursuant to § 57.605(c).

(j) *The practice of primary care* means the provision of health services characterized by the delivery of first contact medicine, the assumption of longitudinal responsibility for the patient regardless of the presence or absence of disease, and the integration of the physical, psychological and social aspects of health care to the limits of the capability of the practitioner. For purposes of this section, primary care shall include the fields of general practice, family practice, general internal medicine, general pediatrics, and general obstetrics and gynecology.

(k) *Migratory agricultural worker* means a domestic agricultural migratory worker as defined in § 56.102(d).

(l) *Physician shortage area* means an area designated by the Secretary pursuant to § 57.216(a)(5) as an area having a need for and shortage of physicians.

§ 57.2203 Eligibility.

To be eligible for a scholarship grant under this subpart, the applicant must:

(a) Be a national of the United States or a permanent resident of the Trust Territory of the Pacific Islands or a lawful permanent resident of the United States, Puerto Rico, the Virgin Islands or Guam;

(b) Be a full-time student in a school located in the United States, the Trust Territory of the Pacific Islands, Puerto Rico, the Virgin Islands, the Canal Zone, American Samoa or Guam; and

(c) Agree to engage in the full-time practice of primary care as defined in § 57.2202(j) in accord with conditions specified in § 57.2209.

§ 57.2204 Application.

Each eligible applicant desiring a scholarship grant under this subpart shall submit an application at such time and in such form as the Secretary may prescribe.

§ 57.2205 Priority for selection of scholarship recipients.

(a) When funds determined by the Secretary to be available for scholarship grants under this subpart are insufficient to permit the awarding of scholarships to all individuals applying therefor, the Secretary shall accord priority to eligible applicants as follows:

(1) First priority for scholarship grants shall be accorded to applicants who (i) are from a low-income background as defined in § 57.2202 (i), (ii) reside in a physician shortage area and (iii) agree to return to such area and engage in the full-time practice of primary care. For purposes of this paragraph, an individual resides in a physician shortage area if he presently is residing in such an area or if he (or his parents) resided in such an area in the year prior to his admission to an institution of higher education.

(2) Second priority shall be accorded to applicants meeting the criteria in paragraphs (a)(1) (ii) and (iii) of this section.

(3) Third priority shall be accorded to applicants meeting the criterion in paragraph (a)(1)(i) of this section.

(4) Fourth priority shall be accorded to other applicants.

(b) Where there are insufficient funds available to make scholarship grants to all members of any single priority grouping enumerated in paragraph (a) of this section, the following criteria will be used to accord priority within each affected priority group:

(1) Within the priority groupings specified in paragraphs (a) (1) and (2) of this section, the Secretary shall rank recipients according to the degree of the severity of shortage of physicians practicing primary care in such area. Scholarship grants shall be awarded within each priority group first to applicants within that grouping from physician shortage areas with the least favorable ratio of such physicians to the population to be served.

(2) Within the priority groupings specified in paragraphs (a) (3) and (4) of this section, the Secretary shall award scholarship grants within each priority group first to applicants who agree to practice primary care in a physician shortage area with a substantial portion of migratory agricultural workers in such area; second, to applicants within that grouping who agree to practice in a physician shortage area; and third, to applicants within that grouping who agree to practice in such place or places, facility or facilities, and in such manner as the Secretary finds necessary to assure that, of the patients receiving medical care in such

practice, a substantial portion will consist of persons who are migratory agricultural workers or members of their families.

§ 57.2206 Grant award.

The Secretary may award scholarship grants to individuals who have been selected to receive scholarship grants in accordance with § 57.2205. Any such award under this subpart shall state the specific conditions under which the award is being made and shall indicate the distribution between funds awarded to cover the costs of tuition and fees payable to the school and funds awarded for the costs of equipment, supplies, books, and living expenses payable to the individual.

§ 57.2207 Amount of scholarship grant.

(a) The amount of the scholarship grant to any student for any academic year shall be the total of (1) the lesser of (i) \$5,000 or (ii) the amount determined by the Secretary to be the cost of tuition and fees; plus (2) an allowance for equipment, supplies, books and living expenses which shall be the lesser of (i) \$3,600 or (ii) the difference between \$5,000 and the amount determined pursuant to paragraph (a)(1) of this section.

(b) The maximum amount of a scholarship grant during a 12-month period to any student enrolled in a school which provides a course of study longer than the traditional 9-month academic year may be proportionately increased.

§ 57.2208 Payment of scholarship grant.

The portion of a scholarship grant awarded for the costs of tuition and fees as indicated on the notice of grant award document will be paid directly to the school upon receipt of an invoice from the school. The portion of the scholarship grant awarded for the costs of equipment, supplies, books, and living expenses will be paid to the individual in equal monthly installments.

§ 57.2209 Conditions of scholarship grant.

(a) Any scholarship grant made to any individual under this subpart shall be awarded upon the condition that

such individual will, following completion of his professional training, engage in the full-time practice of primary care for a period of 12 continuous months for each academic year (i.e., 9 months) for which a scholarship grant was made, as follows:

(1) In the case of any individual selected pursuant to § 57.2205(a) (1) or (2), such practice must be in the physician shortage area to which such individual agreed to return: *Provided however*, That if the Secretary determines at the time the individual proposes to engage in the required practice that such area is no longer a physician shortage area and cannot reasonably be expected to become such an area within 2 years from such time, such practice shall, at the option of the individual, be either in any then current physician shortage area, or in such place or places, facility, or facilities, and in such manner as the Secretary finds necessary to assure that, of the patients receiving medical care in such practice, a substantial portion will consist of persons who are migratory agricultural workers or members of their families.

(2) In the case of any individual selected pursuant to § 57.2205(a) (3) or (4), such practice must be in accordance with the agreement described in § 57.2205(b)(2) (i.e., in a physician shortage area with a substantial portion of migratory agricultural workers in such area; a physician shortage area; or in such place or places, facility or facilities, and in such manner as may be necessary to assure that, of the patients receiving medical care in such practice, a substantial portion will consist of persons who are migratory agricultural workers or members of their families; as the case may be).

(b) Subject to the provision of § 57.2211(f) and except as provided in paragraph (c) of this section, any individual to whom the conditions of this section apply must complete the practice required by paragraph (a) of this section within a period beginning on the date of completion by the individual of his professional training, as determined by the Secretary, and not to exceed the period of practice determined in accordance with such paragraph (a) of this section, plus 6 months.

(c) Where an individual to whom the conditions of this section apply is currently performing an active duty service obligation under section 235 of the Act, the individual must complete the practice required by paragraph (a) of this section within a period beginning on the date of completion by the individual of his service obligation under section 225 of the Act or completion of his internship and residency training (not to exceed four years) if not previously received, whichever comes later, and not to exceed the period of practice determined in accordance with paragraph (a) of this section, plus 6 months.

(d) Where an individual has received scholarship grant support for four academic years, such individual shall be considered to have received scholarship grant support for only three academic years if the Secretary determines (1) that such individual has served his internship or residency in a hospital (i) which is located in a physician shortage area, or (ii) in which a substantial portion of the patients of such hospital consists of persons who are migratory agricultural workers or members of the families of such workers and (2) that while so serving such internship or residency, he has received training or professional experience designed to prepare him to engage in the practice of primary care.

(e) For purposes of paragraph (c)(2) of this section, (1) internships which will be recognized by the Secretary as providing training or professional experience designed to prepare an individual to engage in the practice of primary care are: Rotating internships without a major emphasis, rotating internships with an emphasis on internal medicine, rotating internships with an emphasis on pediatrics, rotating internships with an emphasis on obstetrics and gynecology, straight internships in internal medicine, straight internships in pediatrics and straight internships in obstetrics and gynecology; *Provided*, That such internships are approved or provisionally approved by the Council on Medical Education of the American Medical Association or the Board of Trustees of the American Osteopathic Association; and

(2) Residencies which will be recognized as providing such training or experience are those in general practice, family practice, general internal medicine, general pediatrics and general obstetrics and gynecology; *Provided*, That such residencies are approved or provisionally approved by the Council on Medical Education of the American Medical Association or the Board of Trustees of the American Osteopathic Association.

(f) No individual who has received a scholarship grant under this subpart may enter into an agreement with the Secretary pursuant to section 741(f) of the Act until either (1) such individual has completed the practice required by paragraph (a) of this section, or (2) the Secretary has determined that the United States is entitled to recover from such individual an amount determined in accordance with § 57.2210. In no case, however, shall a scholarship grant under this subpart be considered an educational loan for purposes of section 741(f) of the Act.

[39 FR 28730, Aug. 9, 1974, as amended at 41 FR 26685, June 29, 1976]

§ 57.2210 Failure to comply.

(a) Subject to the provision of § 57.2211, if any individual fails to complete the course of study or fails, within the time period set forth in § 57.2209(b), to meet the applicable conditions of practice imposed by receipt of a scholarship grant for the full number of months to which such condition is applicable, the United States shall be entitled to recover from such individual an amount determined in accordance with section 784(c)(3) of the Act; *Provided however*, That no interest shall accrue on any amount due the United States during any period for which the Secretary has suspended the obligation to repay pursuant to § 57.2211(b).

§ 57.2211 Waiver or suspension.

(a) Any obligation of any individual under this subpart will be cancelled upon the death of such individual as documented by a certification of death, or such other official proof as is conclusive under State law, and submitted to the Secretary.

(b) Subject to the provision of paragraph (f) of this section, where an individual fails to complete the practice required by § 57.2209(a) within the period prescribed in § 57.2209(b), the Secretary may waive or suspend for such period as determined by the Secretary the obligation of such individual to repay pursuant to § 57.2210 where the Secretary determines that compliance by such individual with such obligation (1) is impossible, or (2) would involve extreme hardship to such individual and enforcement of such obligation with respect to such individual would be against equity and good conscience.

(c) For purposes of paragraph (b)(1) of this section, compliance by an individual will be deemed impossible where the Secretary determines, on the basis of such information and documentation as he may require, that the individual is permanently and totally disabled.

(d) For purposes of paragraph (b)(2) of this section, in determining whether compliance by an individual would involve extreme hardship to such individual and would be against equity and good conscience, the Secretary will take into consideration the following:

(1) The individual's present financial resources and obligations;

(2) The individual's estimated future financial resources and obligations;

(3) The reasons for the individual's failure to complete such practice within the prescribed period, such as problems of a personal nature; and

(4) The extent to which the individual is practicing his profession in a manner consistent with the purposes of section 784 of the Act.

(e) Where the Secretary determines that compliance by an individual with his obligation to engage in the practice of primary care in a specified shortage area pursuant to § 57.2209(a) is impossible or would involve extreme hardship to such individual and enforcement of such obligation with respect to such individual would be against equity and good conscience, the Secretary may waive such obligation and permit the individual at his option to practice either in any then current physician shortage area, or in such place or places, facility or facilities, and in such manner as the Secretary finds necessary to assure that, of the

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patients receiving medical care in such practice, a substantial portion will consist of persons who are migratory agricultural workers or members of their families. The Secretary will take into consideration in determining whether to grant a waiver under this paragraph the extent to which the individual has problems of a personal nature, e.g., physical or mental disability, terminal illness in the family, or need for financial support that cannot be supplied by the required service, which intrude upon the individual's ability to perform the required service in the specified shortage area.

(f) The Secretary may extend the period (prescribed in § 57.2209(b)) within which an individual must complete the practice required pursuant to § 57.2209(a) for a period not to exceed one year where the Secretary finds that (1) such individual is unable to complete such practice within such period because of a temporary physical or mental disability, or (2) completion by such individual of such practice within such period would involve extreme hardship to such individual and that failure to so extend such period would be against equity and good conscience.

Subpart X [Reserved]

Subpart Y—Grants for Nurse Practitioner and Nurse Midwifery Programs

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended, 63 Stat. 35 (42 U.S.C. 216); sec. 822(a) of the Public Health Service Act, 89 Stat. 361, as amended by 99 Stat. 394-395 and 548 (42 U.S.C. 296m).

§ 57.2401 Applicability.

The regulations of this subpart are applicable to the award of grants to public or private nonprofit schools of nursing and public health, public or private nonprofit schools of medicine which received grants under section 822(a) of the Public Health Service Act (42 U.S.C. 296m) prior to October 1, 1985, public or private nonprofit hospitals, and other public or private nonprofit entities under section 822(a) to meet the cost of projects to (a) plan, develop, and operate, (b) expand, or (c) maintain

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programs for the education of nurse practitioners or nurse midwives.

[57 FR 45741, Oct. 5, 1992]

§ 57.2402 Definitions.

As used in this subpart:

(a) *Act* means the Public Health Service Act, as amended.

(b) *Secretary* means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

(c) *Council* means the National Advisory Council on Nursing Education and Practice (established by section 851 of the Act).

(d) *School of nursing* means a collegiate associate degree, or diploma school of nursing.

(e) *Collegiate school of nursing* means a department, division, or other administrative unit in a college or university which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing, and including advanced education related to such program of education provided by such school, but only if such program, or such unit, college or university is accredited as provided in section 853(6) of the Act.

(f) *Associate degree school of nursing* means a department, division or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively a 2-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree, but only if such program, or such unit, college, or university is accredited as provided in section 853(6) of the Act.

(g) *Diploma school of nursing* means a school affiliated with a hospital or university, or an independent school, which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to a diploma or to equivalent indicia that such program has been satisfactorily completed, but only if such program, or such affiliated school or

such hospital or university or such independent school is accredited as provided in section 853(6) of the Act.

(h) *School of medicine* means a school which provides education leading to a degree of doctor of medicine and which is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.

(i) *School of public health* means a school which provides education leading to a graduate degree in public health and which is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.

(j) *Nonprofit* refers to the status of an entity which is a corporation or association or is owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(k) *State* means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

(l) *Program director* means a qualified individual designated by the grantee and approved by the Secretary who is to be functionally responsible for the education program being supported under this subpart.

(m) *Project period* means the total time for which support for a project has been approved, including any extensions thereof.

(n) *Budget period* means the interval of time into which the approved activity is divided for budgetary and reporting purposes.

(o) *Programs for the education of nurse practitioners or nurse midwives* means full-time educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meets the guidelines prescribed by the Secretary in the Appendix to this subpart and which has as its objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in

such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities (where appropriate), and other health care institutions.

(p) *Nurse practitioner* means a registered nurse who has successfully completed a formal program of study designed to prepare registered nurses to perform in an expanded role in the delivery of primary health care including the ability to:

(1) Assess the health status of individuals and families through health and medical history taking, physical examination, and defining of health and developmental problems;

(2) Institute and provide continuity of health care to clients (patients), work with the client to insure understanding of and compliance with the therapeutic regimen within established protocols, and recognize when to refer the client to a physician or other health care provider;

(3) Provide instruction and counseling to individuals, families, and groups in the areas of health promotion and maintenance, including involving such persons in planning for their health care; and

(4) Work in collaboration with other health care providers and agencies to provide, and where appropriate, coordinate services to individuals and families.

(q) *Nurse-midwife* means a registered nurse who has completed a formal program of study designed to prepare registered nurses to perform in an expanded role in the delivery of primary health care to women and babies including the management of normal antepartum, intrapartum, and postpartum care as well as family planning and gynecology.

(r)(1) *Primary health care* means care which may be initiated by the client or provider in a variety of settings and which consists of a broad range of personal health care services including:

(i) Promotion and maintenance of health;

(ii) Prevention of illness and disability;

(iii) Basic care during acute and chronic phases of illness;

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(iv) Guidance and counseling of individuals and families;

(v) Referral to other health care providers and community resources when appropriate; and

(vi) Nurse midwifery services (when appropriate).

(2) In providing such services—

(i) The physical, emotional, social, and economic status, as well as the cultural and environmental backgrounds, of individuals, families, and communities (where applicable) are considered;

(ii) The client is provided access to the health care system; and

(iii) A single provider or team of providers, along with the client, is responsible for the continuing coordination and management of all aspects of basic health services needed for individual and family care.

[43 FR 43416, Sept. 25, 1978, as amended at 52 FR 27342, July 21, 1987; 57 FR 45741, Oct. 5, 1992; 61 FR 6126, Feb. 16, 1996]

§ 57.2403 Eligibility.

(a) *Eligible applicants.* To be eligible for a grant under this subpart the applicant shall:

(1) Be a public or private nonprofit school of nursing or public health, a public or private nonprofit school of medicine which received grants under this subpart prior to October 1, 1985, public or private nonprofit hospital; or other public or private nonprofit entity; and

(2) Be located in a State.

(b) *Eligible projects.* A grant under this subpart may be made to an eligible applicant to meet the cost of:

(1) A project to plan, develop, and operate a program for the education of nurse practitioners or nurse midwives (which will be in operation no later than 12 months after the award of a grant under this subpart);

(2) A project to expand a program for the education of nurse practitioners or nurse midwives through one or a combination of the following activities:

(i) A planned increase in student enrollment;

(ii) The addition to the program of one or more fields of clinical practice;

(iii) The addition of a new education site for the total program; or

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(3) A project to maintain a program for the education of nurse practitioners and nurse midwives.

[43 FR 43416, Sept. 25, 1978, as amended at 52 FR 27343, July 21, 1987; 57 FR 45741, Oct. 5, 1992]

§ 57.2404 Application.

(a) Each eligible applicant desiring a grant under this subpart shall submit an application in such form and at such time as the Secretary may prescribe.

(b) The application shall be executed by an individual authorized to act for the applicant and to assume on behalf of the applicant the obligations imposed by the terms and conditions of any award, including the regulations of this subpart.

(c) In addition to such other pertinent information as the Secretary may require, an application for a grant under this subpart shall contain the following:

(1) A full and adequate description of the proposed project, including:

(i) Information concerning the need for and significance of the proposed project.

(ii) A description of the setting in which the education program will be conducted and the primary health care needs to which such program will be responsive.

(iii) A detailed description of the planning and developmental activities to be carried out or which have been accomplished by the applicant.

(iv) A detailed time plan for each year of the project period, identifying target dates for project activities and including any plans for continuing such activities beyond the project period.

(v) A description of specific measurable objectives for the proposed project consistent with the purposes of section 822 of the Act.

(vi) A detailed plan for achieving the stated objectives of the proposed project.

(vii) A description of the program curriculum, including course content and the number of hours of classroom instruction, supervised laboratory, and clinical practice.

(viii) A plan and methodology for evaluating the education program in

accordance with the requirements of § 57.2405(c).

(ix) Where the education includes a preceptorship, a description of such preceptorship, including length, type of practice, and amount of faculty supervision.

(x) A description of recruitment plans and criteria for the selection and admission of students.

(xi) An estimate of the number of students to be enrolled during the project period.

(xii) In the case of a project to expand a nurse practitioner or nurse midwifery education program, a description of the manner in which the program is to be expanded and a plan for achieving such expansion during the project period.

(2) Evidence satisfactory to the Secretary that the applicant has secured any required institutional clearances and approvals for the planning, development, and operation of the program.

(3) Information concerning the background and qualifications of the program director, staff, and consultants.

(4) Evidence satisfactory to the Secretary that the applicant will have available adequate faculty, staff facilities, clinical practice settings, and equipment for the conduct of the proposed project.

(5) A description of any written agreements with other institutions or organizations for carrying out the proposed project.

(6) A detailed budget for the proposed project and a justification of the amount of grant funds requested.

(7) A description of financial resources available to the applicant to assure the sound establishment, maintenance, and continuation of the proposed project beyond the project period.

(d) The application shall contain an assurance satisfactory to the Secretary that—

(1) In the case of a project to plan, develop, and operate a program for the education of nurse practitioners or nurse midwives, such program will upon its development meet the guidelines set forth in the Appendix of this subpart, or

(2) In the case of a project to expand or maintain a program for the edu-

cation of nurse practitioners or nurse midwives, such program meets the guidelines set forth in the appendix to this subpart.

(Approved by the Office of Management and Budget under control number 0915-0060)

[42 FR 60883, Nov. 29, 1977, as amended at 49 FR 38114, Sept. 27, 1984; 52 FR 27343, July 21, 1987; 57 FR 45741, Oct. 5, 1992]

§ 57.2405 Project requirements.

A project supported under this subpart shall be conducted in accordance with the following requirements:

(a) The project shall conduct its program for the education of nurse practitioners or nurse midwives in accordance with the guidelines prescribed by the Secretary and set forth in the Appendix to this subpart.

(b) The program director shall be responsible for the conduct of the education program unless replaced by another individual found by the Secretary to be qualified to carry out such responsibilities. Where the program director becomes unable to function in such capacity, the Secretary shall be notified as soon as possible.

(c) In accordance with the plan set forth in its approved application, the project shall evaluate the effectiveness of the program in relation to its purposes and objectives.

(Approved by the Office of Management and Budget under control number 0915-0060)

[43 FR 43416, Sept. 25, 1978, as amended at 52 FR 27343, July 21, 1987; 61 FR 51788, Oct. 4, 1996]]

§ 57.2406 Evaluation and grant awards.

(a) *Evaluation.* (1) Within the limits of funds available for such purpose, the Secretary, after consultation with the Council, may award grants to those applicants whose projects will in his judgment best promote the purposes of section 822 of the Act, taking into consideration:

(i) The degree to which the project plan adequately provides for meeting the requirements set forth in § 57.2405 and the appendix to this subpart;

(ii) The potential effectiveness of the proposed project in carrying out the education purposes of section 822 of the Act and this subpart;

(iii) The capability of the applicant to carry out the proposed project;

(iv) The extent to which the project has joint program direction by qualified nurse and physician educators;

(v) The soundness of the fiscal plan for assuring effective utilization of grant funds; and

(vi) The potential of the project to continue on a self-sustaining basis after the project period.

(2) Pursuant to section 822(a)(1) of the Act, the Secretary will give special consideration to:

(i) Projects for programs for the education of nurse practitioners or nurse midwives who will practice in health professional shortage areas (designated under section 332 of the Act); and

(ii) Projects for education programs which emphasize education respecting the special problems of geriatric patients (particularly problems in the delivery of preventive care, acute care, and long-term care, including home health care and institutional care to such patients) and education to meet the particular needs of nursing home patients and patients confined to their homes.

(3) In determining the funding of applications approved under paragraph (a)(1) of this section, the Secretary will also consider other special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

(b) *Grant awards.* (1) The Secretary will determine the amount of any award on the basis of his or her estimate on the sum necessary for the cost (including both direct and indirect costs) of the project.

(2) All grant awards shall be in writing and shall set forth the amount of funds granted and the period for which such funds will be available for obligation by the grantee.

(3) Neither the approval of any project nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation, or other award with respect to any approved project or portion thereof. For continuation support, grantees must make separate application at such times and in such form as the Secretary may prescribe.

(c) *Noncompeting continuation awards.*

If a grantee has filed an application for continuation support and within the limits of funds available for this purpose, the Secretary may make a grant award for an additional budget period for any previously approved project if (1) the application is for a project which meets the regulations of this subpart and (2) on the basis of such progress and accounting records as may be required, the Secretary finds that the project's activities during the current budget period justify continued support of the project for an additional budget period. If the Secretary decides to continue support, the amount of the grant award will be determined in accordance with paragraph (b)(1) of this section. If the Secretary decides not to continue supporting a project for an additional budget period, he will notify the grantee in writing before the end of the current budget period. In addition, the Secretary may provide financial support for the orderly phaseout of the supported project, if he determines that such support is necessary.

[43 FR 43416, Sept. 25, 1978, as amended at 52 FR 27343, July 21, 1987; 53 FR 14792, Apr. 26, 1988; 57 FR 45741, Oct. 5, 1992]

§ 57.2407 Grant payments.

The Secretary will from time to time make payments to the grantee of all or a portion of any grant award, either by way of reimbursement for expenses incurred in the budget period, or in advance for expenses to be incurred, to the extent he determines such payments necessary to promote prompt initiation and advancement of the approved project.

[42 FR 60883, Nov. 29, 1977]

§ 57.2408 Expenditure of grant funds.

(a) Any funds granted pursuant to this subpart shall be expended solely for carrying out the approved project in accordance with section 822 of the Act, the regulations of this subpart, the terms and conditions of the award, and the applicable cost principles prescribed by subpart Q of 45 CFR part 74; *Provided*, That such funds shall not be expended for sectarian instruction or for any religious purpose.

(b) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[43 FR 43416, Sept. 25, 1978, as amended at 52 FR 27343, July 21, 1987; 57 FR 45741, Oct. 5, 1992]

§ 57.2409 What additional Department regulations apply to grantees?

Several other regulations apply to grants under this subpart. These include, but are not limited to:

- 42 CFR part 50, subpart D—Public Health Service Grant Appeals Procedure.
- 45 CFR part 16—Procedures of the Departmental Grant Appeals Board.
- 45 CFR part 46—Protection of Human Subjects.
- 45 CFR part 74—Administration of Grants.
- 45 CFR part 75—Informal Grant Appeals Procedures.
- 45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)
- 45 CFR part 80—Nondiscrimination Under Programs Receiving Federal Assistance Through the Department of Health and Human Services Effectuation of title VI of the Civil Rights Act of 1964.
- 45 CFR part 81—Practice and Procedure for Hearings Under part 80 of this title.
- 45 CFR part 83—Regulation for the Administration and Enforcement of sections 794 and 855 of the Public Health Service Act.
- 45 CFR part 84—Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting From Federal Financial Assistance.
- 45 CFR part 86—Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting From Federal Financial Assistance.
- 45 CFR part 91—Nondiscrimination on the Basis of Age in HHS Programs Activities Receiving Federal Financial Assistance.

45 CFR part 93—New restrictions on lobbying.

[52 FR 27344, July 21, 1987, as amended at 57 FR 45741, Oct. 5, 1992; 61 FR 6126, Feb. 16, 1996]

§ 57.2410 Additional conditions.

The Secretary may with respect to any grant award impose additional conditions prior to or at the time of any award when in his judgment such conditions are necessary to assure or protect advancement of the approved project, the interests of the public health, or the conservation of grant funds.

[43 FR 43416, Sept. 25, 1978. Redesignated at 52 FR 27344, July 21, 1987]

APPENDIX TO SUBPART Y—GUIDELINES FOR NURSE PRACTITIONER AND NURSE MIDWIFERY PROGRAMS

The guidelines set forth below have been prescribed by the Secretary after consultation with appropriate educational organizations and professional nursing and medical organizations, as required by section 822(a)(2)(B) of the Public Health Service Act.

A. *Definitions.* 1. "Programs for the education of nurse practitioners or nurse midwives" means a full-time educational program for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meets the guidelines prescribed herein and which has as its objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such program be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, where appropriate, and other health care institutions.

2. "Nurse practitioner" means a registered nurse who has successfully completed a formal program of study designed to prepare registered nurses to perform in an expanded role in the delivery of primary health care including the ability to:

- a. Assess the health status of individuals and families through health and medical history taking, physical examination, and defining of health and developmental problems;
- b. Institute and provide continuity of health care to clients (patients), work with the client to insure understanding of and compliance with the therapeutic regimen within established protocols, and recognize when to refer the client to a physician or other health care provider;
- c. Provide instruction and counseling to individuals, families and groups in the areas

of health promotion and maintenance, including involving such persons in planning for their health care; and

d. Work in collaboration with other health care providers and agencies to provide, and where appropriate, coordinate services to individuals and families.

3. "Nurse-midwife" means a registered nurse who has completed a formal program of study designed to prepare registered nurses to perform in an expanded role in the delivery of primary health care to women and babies including the management of normal antepartum, intrapartum, and postpartum care as well as family planning and gynecology.

4. "Primary health care" means care which may be initiated by the client or provider in a variety of settings and which consists of a broad range of personal health care services including:

- a. Promotion and maintenance of health;
- b. Prevention of illness and disability;
- c. Basic care during acute and chronic phases of illness;
- d. Guidance and counseling of individuals and families; and
- e. Referral to other health care providers and community resources when appropriate; and
- f. Nurse midwifery services (where appropriate).

In providing such services (i) the physical, emotional, social, and economic status, as well as the cultural and environmental backgrounds of individuals, families, and communities (where applicable) are considered; (ii) the client is provided access to the health care system; and (iii) a single provider or team of providers, along with the client, is responsible for the continuing coordination and management of all aspects of basic health services needed for individual and family care.

B. *Organization and administration.* 1. A nurse practitioner or nurse-midwifery education program shall have active collaboration with nurses and physicians who have expertise relevant to the nurse practitioner or nurse midwife role and primary health care, to assist in the planning, development, and operation of such a program. In addition, where the institution or organization conducting the program is other than a school of nursing, medicine, or public health, such collaboration shall be with nurses and physicians who are affiliated with either a collegiate school of nursing, school of medicine, or school of public health.

2. Co-program directors from nursing and medicine are recommended.

C. *Student enrollment.* 1. A nurse practitioner or nurse midwifery education program shall have an enrollment of not less than six full-time equivalent students in each class.

2. All students enrolled in a nurse practitioner or nurse midwifery education program

must be licensed to practice nursing (a) at the time of enrollment, or (b) in the case of a program leading to a graduate degree in nursing, at or prior to the time of completion of a program.

3. The policies for the recruitment and selection of students shall be consistent with the requirements of the sponsoring institution and developed in cooperation with the faculty responsible for conducting the education. Admission criteria shall take into consideration the educational background and work experience of applicants.

D. *Length of program.* A nurse practitioner or nurse midwifery education program shall be a minimum of 1 academic year (or 9 months) in length and shall include at least 4 months (in the aggregate) of classroom instruction.

E. *Curriculum.* 1. A nurse practitioner or nurse midwifery education program shall be a discrete program consisting of classroom instruction and faculty-supervised clinical practice designed to teach registered nurses the knowledge and skills needed to perform the functions of a nurse practitioner or nurse midwife specified in the definition of that term as set forth in these guidelines. The curriculum shall be developed and implemented cooperatively by nurse educators, physicians, and appropriate representatives of other health disciplines. The following are examples of broad areas of program content which should be included: Communications and interviewing (history taking); basic physical examination including basic pathophysiology; positive health maintenance; care during acute and chronic phases of illness; management of chronic illness; health teaching and counseling; role realignment and establishment of collaborative roles with physicians and other health care providers; and community resources. The program content, both classroom instruction and clinical practice, should be developed so that the nurse practitioner or nurse midwife is prepared to provide primary health care as defined in these guidelines.

2. The curriculum may include a preceptorship, in which the student is assigned to a designated preceptor (a nurse practitioner, nurse midwife, or physician) who is responsible for teaching, supervising, and evaluating the student and for providing the student with an environment which permits observation and active participation in the delivery of primary health care. If a preceptorship is included, it shall be under the direction and supervision of the faculty.

F. *Faculty qualifications.* A nurse practitioner or nurse midwifery education program shall have a sufficient number of qualified nursing and medical (and other related professional) faculty with academic preparation and clinical expertise relevant to their areas

of teaching responsibility and with demonstrated ability in the development and implementation of educational programs.

G. *Resources.* 1. A nurse practitioner or nurse midwifery education program shall have available sufficient educational and clinical resources including a variety of practice settings, particularly in ambulatory care.

2. Clinical practice facilities shall be adequate in terms of space and equipment, number of clients, diversity of client age, and need for care, number of students enrolled in the program, and other students using the facility for education purposes.

3. Where the institution or organization conducting the program does not provide the clinical practice settings itself, it shall provide for such settings through written agreements with other appropriate institutions or organizations.

4. Where the institution or organization conducting the program is other than a school of nursing, medicine, or public health, it shall provide for sufficient educational expertise through written agreements with a collegiate school of nursing, school of medicine, or school of public health.

[42 FR 60883, Nov. 29, 1977, as amended at 43 FR 27837, June 27, 1978; 52 FR 27344, July 21, 1987; 57 FR 45741, Oct. 5, 1992]

Subpart Z—Grants for Advanced Nurse Education Programs

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 821 of the Public Health Service Act, 89 Stat. 361; as amended by 95 Stat. 930, 99 Stat. 394 and 548, and Pub. L. 102-408, 106 Stat. 2072 (42 U.S.C. 296l).

§ 57.2501 Applicability.

The regulations of this subpart apply to the award of grants to public and private nonprofit collegiate schools of nursing under section 821 of the Public Health Service Act (42 U.S.C. 296l) to meet the costs of projects to:

(a) Plan, develop, and operate new programs; or

(b) Significantly expand existing programs leading to advanced degrees that prepare nurses to serve as nurse educators or public health nurses, or in other clinical nurse specialties determined by the Secretary to require advanced education.

[61 FR 6127, Feb. 16, 1996]

§ 57.2502 Definitions.

As used in this subpart:

Act means the Public Health Service Act, as amended.

Advanced nurse education program means a program of study in a collegiate school of nursing which leads to masters' and doctoral degrees and which prepares nurses to serve as nurse educators, administrators, or researchers or to serve in clinical nurse specialties determined by the Secretary to require advanced education.

Budget period means the interval of time into which the approved activity is divided for budgetary purposes, as specified in the grant award document.

Collegiate school of nursing means a department, division, or other administrative unit in a college or university which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to masters' and doctoral degrees in nursing, and including advanced education related to this type of educational program provided by the school, but only if the program, or unit, college or university is accredited.

Construction means (1) the construction of new buildings and the acquisition, expansion, remodeling, replacement, and alteration of existing buildings including architects' fees but not including the cost of acquisition of land (except in the case of acquisition of an existing building), offsite improvements, living quarters, or patient-care facilities, and (2) equipping new buildings and existing buildings, whether or not acquired, expanded, remodeled, or altered.

Council means the National Advisory Council on Nurse Education and Practice established by section 851(a) of the Act.

Nonprofit refers to the status of an entity which is a corporation or association, or is owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Professional nurse means a registered nurse who has received initial nursing preparation from a diploma, associate

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degree, or collegiate school of nursing as defined in section 853 of the Act and who is currently licensed to practice nursing.

Project period means the total time for which support for a project has been approved, as specified in the grant award document.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

[43 FR 43416, Sept. 25, 1978, as amended at 48 FR 45113, Oct. 3, 1983; 52 FR 27346, July 21, 1987; 57 FR 45741, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996]

§ 57.2503 Eligibility.

(a) *Eligible applicants.* To be eligible for a grant under this subpart the applicant shall:

- (1) Be a public or private nonprofit collegiate school of nursing.
- (2) Be located in a State.

(b) *Eligible projects.* A grant under this subpart may be made to an eligible applicant to meet the cost of:

(1) A project to plan, develop, and operate an advanced nurse education program. The planning period of this project is limited to 1 year. The project must enroll students before the end of the project period;

(2) A project to significantly expand an advanced nurse education program through one or more of the following activities:

(i) The addition to the masters' or doctoral program of a new clinical, research, or functional (administration or teaching) specialty area,

(ii) A planned increase in student enrollment during the project period, or

(iii) The addition of a new educational site for the program; or

[43 FR 43416, Sept. 25, 1978, as amended at 48 FR 45113, Oct. 3, 1983; 52 FR 27346, July 21, 1987; 57 FR 45741, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996]

§ 57.2504 Application.

(a) Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at such time as the Secretary may prescribe.

(b) The application shall be signed by an individual authorized to act for the applicant and to assume on behalf of the applicant the obligations imposed by the terms and conditions of any award, including the regulations of this subpart.

(c) In addition to other pertinent information which the Secretary may require, an application for a grant under this subpart shall contain:

- (1) A proposal for a project to:
 - (i) Plan, develop, and operate; or
 - (ii) Significantly expand an advanced nurse education program;
- (2) Information documenting the need for the proposed project;
- (3) A description of specific attainable and measurable objectives for the proposed project consistent with the purposes of section 821 of the Act;
- (4) A detailed plan for achieving and measuring the stated objectives of the proposed project;
- (5) A description of the anticipated impact of the proposed project, including its potential contribution to nursing;
- (6) Evidence satisfactory to the Secretary that the applicant will have available adequate resources for the conduct of the proposed project, including adequate faculty, staff, equipment, facilities, and an appropriate clinical practice setting or settings;
- (7) A detailed budget for the proposed project and a justification of the amount of grant funds requested;
- (8) A description of any Federal financial support related to the proposed project which the applicant is currently receiving;

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(9) A detailed timetable for carrying out the activities of the proposed project, including any plans for continuing activities beyond the project period;

(10) A description of the background and qualifications of the project staff and any proposed consultants;

(11) Information concerning the source and number of potential students for the education program and a description of plans, if any, to encourage graduates of the education program to practice in States in need of nurses prepared in the specialty in which education is to be provided;

(12) A plan to sustain the project beyond the period during which Federal assistance is available; and

(13) A plan to attract and retain a higher than average number of minority and financially needy students.

(d) In the case of a project to significantly expand an advanced nurse education program, the application shall contain an assurance satisfactory to the Secretary that the applicant will expend, in carrying out the program for which a grant under this subpart is sought, an amount of non-Federal funds (excluding costs of construction) at least as great as the average amount of non-Federal funds (excluding expenditures of a nonrecurring nature, including costs of construction) expended for this purpose during the 3 fiscal years immediately preceding the fiscal year for which the grant is sought.

(Approved by the Office of Management and Budget under control number 0915-0060)

[43 FR 43416, Sept. 25, 1978, as amended at 48 FR 45113, Oct. 3, 1983; 52 FR 27346, July 21, 1987; 57 FR 45741, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996]

§ 57.2505 Project requirements.

(a) A project supported under this subpart shall be conducted in accordance with its approved application.

(b) A project supported under this subpart shall enroll professional nurses, as defined in § 57.2502, or students who will be professional nurses, as defined in § 57.2502, at or prior to completion of the advanced nurse education program.

[43 FR 43416, Sept. 25, 1978, as amended at 52 FR 27347, July 21, 1987]

§ 57.2506 Evaluation and grant awards.

(a) *Evaluation.* Within the limits of funds available for this purpose, the Secretary, after consultation with the Council, may award grants to those applicants whose projects will, in his or her judgment, best promote the purposes of section 821 of the Act, taking into consideration among other pertinent factors:

(1) The need for the proposed project including, with respect to projects to provide education in professional nursing specialties determined by the Secretary to require advanced education:

(i) The current or anticipated need for professional nurses educated in the specialty; and

(ii) The relative number of programs offering advanced education in the specialty;

(2) The need for nurses in the specialty in which education is to be provided in the State in which the education program is located, as compared with the need for these nurses in other States;

(3) The degree to which the applicant proposes to recruit students from States in need of nurses in the specialty in which education is to be provided, and to promote their return to these States following education;

(4) The degree to which the applicant proposes to encourage graduates to practice in States in need of nurses in the specialty in which education is to be provided;

(5) The potential effectiveness of the proposed project in carrying out the educational purposes of section 821 of the Act and this subpart;

(6) The capability of the applicant to carry out the proposed project;

(7) The soundness of the fiscal plan for assuring effective utilization of grant funds; and

(8) The potential of the project to continue on a self-sustaining basis after the period of grant support; and

(9) The degree to which the applicant proposes to attract, retain and graduate minority and financially needy students.

(b) *Funding preference.* In determining the funding of applications approved under paragraph (a) of this section, the

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Secretary may from time to time announce in the FEDERAL REGISTER special factors relating to national needs.

(c) *Grant awards.* (1) The Secretary will determine the amount of any award on the basis of his or her estimate on the sum necessary for the cost (including both direct and indirect costs) of the project.

(2) All grant awards shall be in writing and shall set forth the amount of funds granted and the period for which the funds will be available for obligation by the grantee.

(3) Neither the approval of any project nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation, or other award with respect to any approved project or portion thereof. For continuation support, grantees must make separate application annually in a form and at the time that the Secretary may require.

(d) *Noncompeting continuation awards.* Within the limits of funds available for this purpose, the Secretary may make a grant award for an additional budget period for any previously approved project on the basis of an application and those progress and accounting records which may be required. If the Secretary finds that the project's activities during the current budget period justify continued support of the project for an additional budget period, and the Secretary decides to continue support, the amount of the grant award will be determined in accordance with paragraph (c)(1) of this section. If the Secretary decides not to continue support for an additional budget period, he or she will notify the grantee in writing before the end of the current budget period. The Secretary may provide financial support for the orderly phase-out of the supported project, if he or she determines that this support is necessary.

[43 FR 43416, Sept. 25, 1978, as amended at 52 FR 27347, July 21, 1987; 52 FR 28511, July 30, 1987; 53 FR 14792, Apr. 26, 1988; 61 FR 6127, Feb. 16, 1996]

§ 57.2507 Grant payments.

The Secretary will from time to time make payments to the grantee of all or a portion of any grant award, either by

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way of reimbursement for expenses incurred in the budget period, or in advance for expenses to be incurred, to the extent he or she determines these payments necessary to promote prompt initiation and advancement of the approved project.

[43 FR 43416, Sept. 25, 1978]

§ 57.2508 Expenditure of grant funds.

(a) Any funds granted under this subpart as well as other funds to be used in performance of the approved project shall be expended solely for carrying out the approved project in accordance with section 821 of the Act, the regulations of this subpart, the terms and conditions of the award, except that funds shall not be expended for sectarian instruction or for any religious purpose.

(b) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[43 FR 43416, Sept. 25, 1978, as amended at 52 FR 27347, July 21, 1987; 57 FR 45742, Oct. 5, 1992]

§ 57.2509 What additional Department regulations apply to grantees?

Several other regulations apply to grants under this subpart. These include, but are not limited to:

42 CFR part 50, subpart D—Public Health Service Grant Appeals Procedure.

45 CFR part 16—Procedures of the Departmental Grant Appeals Board.

45 CFR part 46—Protection of Human Subjects.

45 CFR part 74—Administration of Grants.

45 CFR part 75—Informal Grant Appeals Procedures.

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45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination Under Programs Receiving Federal Assistance Through the Department of Health and Human Services Effectuation of title VI of the Civil Rights Act of 1964.

45 CFR part 81—Practice and Procedure for Hearings Under part 80 of this title.

45 CFR part 83—Regulation for the Administration and Enforcement of Section 794 and 855 of the Public Health Service Act.

45 CFR part 84—Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting From Federal Financial Assistance.

45 CFR part 86—Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting From Federal Financial Assistance.

45 CFR part 91—Nondiscrimination on the Basis of Age in HHS Programs or Activities Receiving Federal Financial Assistance.

45 CFR part 93—New restrictions on lobbying.

[52 FR 27347, July 21, 1987, as amended at 57 FR 45742, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996]

§ 57.2510 Additional conditions.

The Secretary may with respect to any grant award impose additional conditions prior to or at the time of any award when in his or her judgment such conditions are necessary to assure or protect advancement of the approved project, the interests of the public health, or the conservation of grant funds.

[43 FR 43416, Sept. 25, 1978. Redesignated at 52 FR 27347, July 21, 1987]

Subparts AA–BB [Reserved]

Subpart CC—Scholarships for Students of Exceptional Financial Need

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended, 63 Stat. 35 (42 U.S.C. 216); sec. 758 of the Public Health Service Act, 90 Stat. 2289, as amended by 102 Stat. 3126–3127 (42 U.S.C. 294z); renumbered as sec. 736, as amended by Pub. L. 102–408, 106 Stat. 2022 (42 U.S.C. 293).

SOURCE: 45 FR 40583, June 16, 1980, unless otherwise noted.

§ 57.2801 To what programs do these regulations apply?

These regulations apply to grants under section 736 of the Public Health Service Act (42 U.S.C. 293) for scholarships for full-time students of exceptional financial need.

[45 FR 40583, June 16, 1980, as amended at 57 FR 45742, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996]

§ 57.2802 Definitions.

Act means the Public Health Service Act, as amended.

Full-time student means a student enrolled in a school and pursuing a course of study which constitutes a full-time academic workload, as determined by the school, leading to a degree from a health professions school, as specified in section 799(1)(A) of the Act.

Health professions school or *school* means, for this subpart, a public or private nonprofit school of medicine, osteopathic medicine, dentistry, optometry, podiatric medicine, pharmacy, or veterinary medicine providing a course of study, or a portion thereof, as defined in section 799(1)(A) of the Act and as accredited in section 799(1)(E) of the Act.

National of the United States means (1) a citizen of the United States, or (2) a person who, though not a citizen of the United States, owes permanent allegiance to the United States, as defined in the Immigration and Nationality Act, at 8 U.S.C. 1101(a)(22).

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

[45 FR 40583, June 16, 1980, as amended at 57 FR 45742, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996]

§ 57.2803 How to apply for a grant.

(a) Any health professions school located in a State may apply for a grant. Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at such time as the Secretary may prescribe.

(b) In addition to other information that the Secretary may require, an application must contain:

(1) A listing of eligible scholarship recipients in order of greatest financial need, indicating resident or non-resident status as well.

(2) The name of the need analysis service used in evaluating the financial status of applicants.

(Approved by the Office of Management and Budget under control number 0915-0028)

[45 FR 40583, June 16, 1980, as amended at 57 FR 45743, Oct. 5, 1992]

§ 57.2804 Students eligible for scholarships.

(a) A scholarship may be awarded only to a student who:

(1) Is a resident of the United States, and either a citizen or national of the United States, an alien lawfully admitted for permanent residence in the United States, a citizen of the Commonwealth of the Northern Mariana Islands, a citizen of the Republic of Palau, a citizen of the Republic of the Marshall Islands, or a citizen of the Federated States of Micronesia.

(2) Has been accepted for enrollment as a full-time student by a health professions school.

(3) Has exceptional financial need as determined under paragraph (b) of this section.

(b)(1) For the purpose of this subpart, a student will have exceptional financial need if the school determines that his or her resources, as described in (b)(2) of this section, do not exceed the lesser of \$5,000 or one-half of the cost of attendance at the school.

(2) The school will determine the financial resources of a student by using one of the national need analysis systems or any other procedure approved by the Secretary of Education and other information which the school has regarding the student's financial status. The school must take into account, regardless of the tax status of

the student, the expected contribution from parents, spouse, or other family members. Student summer earnings, educational loans, veterans (G.I) benefits and earnings during the school year will not be considered resources for purposes of this subpart.

(3) The school will determine cost of attendance at the school by considering expenses reasonably necessary for the student's attendance at the school, including any special needs and obligations which directly affect the student's ability to attend the school on a full-time basis. The school must document the criteria used for determining these costs.

(c) A recipient of a National Health Service Corps Scholarship, under section 751 of the Act, or an Indian Health Scholarship, under section 757 of the Act, is ineligible for a scholarship under this subpart.

(Approved by the Office of Management and Budget under control number 0915-0028)

[45 FR 40583, June 16, 1980, as amended at 57 FR 45743, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996]

§ 57.2805 Amount of scholarship award.

A scholarship will consist of:

(a) The tuition of the student in such school year;

(b) The cost of all other reasonable educational expenses including fees, books, and laboratory expenses of the student for the school year; and

(c) A stipend of \$400 per month (adjusted in accordance with section 338A(g)(3) of the Act) for 12 consecutive months beginning with the first month of the school year.

[45 FR 40583, June 16, 1980, as amended at 57 FR 45743, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996]

§ 57.2806 How is the amount of grant award determined?

(a) A school which receives a grant under this subpart must award each scholarship successively to the eligible individual as specified in § 57.2803(b)(1) of greatest financial need at that school.

(b) The Secretary will make a randomized list of all eligible applicant

schools of medicine, dentistry and osteopathic medicine and a second randomized list of all remaining eligible applicant schools. To the extent of available funds, the Secretary will award grant funds sufficient for one scholarship to each eligible applicant school on the first list, and then proceed to the list of all other eligible applicant schools and award one scholarship to each school in the same manner. These scholarships must go to students who have no financial resources for the first year of study at the school, as determined under § 57.2804. The Secretary will then allocate any remaining funds according to paragraph (c) of this section.

(c)(1) Proceeding in sequence through the list of schools of medicine, dentistry and osteopathic medicine, the Secretary will award each school of medicine, dentistry, and osteopathic medicine sufficient grant funds for a second scholarship which must be given to a student with no financial resources as determined under § 57.2804. This procedure will be repeated until all the scholarship requests of the applicant schools of medicine, osteopathic medicine, and dentistry for scholarships for students with no financial resources have been satisfied or until all the available grant funds have been allocated. If there are additional grant funds, the Secretary will then proceed to the list of all other eligible applicant schools and will allocate scholarships for students with no financial resources using the same procedure.

(2) If additional grant funds remain after fulfilling all requests for scholarships for students with no financial resources at all eligible applicant schools, using the method described in paragraph (c)(1) of this section the Secretary will allocate funds for scholarships to students who have resources from one to 500 dollars. With any remaining funds after completion of these awards, the Secretary will, in the same manner, award grants for scholarships to students with resources in increments of \$500 until all grant funds are awarded or students who have \$5,000 in resources or 50 percent of the

cost of education at the school have received awards.

[45 FR 40583, June 16, 1980, as amended at 57 FR 45743, Oct. 5, 1992]

§ 57.2807 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart according to the approved application, the authorizing legislation, terms and conditions of the grant award, and these regulations.

(b) The grantee must discontinue all scholarship payments and remit the unused balance of the scholarship to the Federal Government in the event that a recipient ceases to be a full-time student at the school.

§ 57.2808 What additional Department regulations apply to grantees?

Several other regulations apply to these grants. They include, but are not limited to:

- 42 CFR part 50, subpart D—Public Health Service grant appeals procedure
- 45 CFR part 16—Procedures of the Departmental Grant Appeals Board
- 45 CFR part 74—Administration of grants
- 45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants).
- 45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964
- 45 CFR part 81—Practice and procedure for hearings under part 80 of this title
- 45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act
- 45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance
- 45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance
- 45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance
- 45 CFR part 93—New restrictions on lobbying.

[49 FR 38114, Sept. 27, 1984, as amended at 57 FR 45743, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996]

§ 57.2809 What other records, audit, and inspection requirements apply to grantees?

(a) Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

(b) The grantee must also maintain:

- (1) A record of all applications for scholarships, and the basis for approving or disapproving each application, including a copy of the total need analysis and determination of resources for each applicant and documentation for any changes made to the need analysis report used by the school;
- (2) A record of the amount of funds awarded to each recipient.

(Approved by the Office of Management and Budget under control number 0915-0028)

[45 FR 40583, June 16, 1980, as amended at 57 FR 45743, Oct. 5, 1992; 61 FR 6127, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§ 57.2810 Additional conditions.

The Secretary may impose additional conditions on any grant award before or at the time of an award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

Subpart DD—Financial Assistance for Disadvantaged Health Professions Students

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 787 of the Public Health Service Act, 90 Stat. 2309, as amended by 95 Stat. 923, 99 Stat. 541 (42 U.S.C. 295g-7); renumbered as sec. 740, as amended by Pub. L. 102-408, 106 Stat. 2032-2033 (42 U.S.C. 293d).

SOURCE: 52 FR 18675, May 18, 1987, unless otherwise noted.

§ 57.2901 To what program do these regulations apply?

These regulations apply to grants to eligible schools under section 740(a)(2) (F) and (d) of the Public Health Service Act for financial assistance for disadvantaged health professions students of exceptional financial need.

[52 FR 18675, May 18, 1987, as amended at 61 FR 6128, Feb. 16, 1996]

§ 57.2902 Definitions.

Act means the Public Health Service Act, as amended.

Full-time student means a student enrolled in a school and pursuing a course of study which constitutes a full-time academic workload, as determined by the school, leading to a degree from a school of medicine, school of osteopathic medicine, or school of dentistry, as specified in section 799(l)(A) of the Act.

National of the United States means—

- (1) A citizen of the United States; or
- (2) A person who, though not a citizen of the United States, owes permanent allegiance to the United States, as defined in the Immigration and Nationality Act, at 8 U.S.C. 1101(a)(22).

School means a public or private non-profit school of medicine, osteopathic medicine, or dentistry, as defined in section 799(l)(A) of the Act.

School year means the traditional approximately 9-month September to June annual session. For the purpose of computing school year equivalents for students who, during a 12-month period, attend for a longer period than the traditional school year, the school year will be considered to be 9 months in length.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

[52 FR 18675, May 18, 1987, as amended at 57 FR 45743, Oct. 5, 1992; 61 FR 6128, Feb. 16, 1996]

§ 57.2903 How to apply for a grant.

(a) Any school located in a State may apply for a grant. Each school seeking a grant must submit an application at the time and in the form and manner that the Secretary may require. The

application must be signed by an individual authorized to act for the applicant and to assume on behalf of the applicant the obligations imposed by the statute, the regulations of this subpart, and the terms and conditions of the award.

(b) Each application will be reviewed to determine eligibility and the reasonableness of the amount of Federal support requested. The Secretary may require the applicant to submit additional data for this purpose.

§ 57.2904 Eligibility and selection of aid recipients.

(a) *Determination of eligibility.* An individual is eligible for consideration for financial assistance under this program if he or she:

(1) Is a resident of the United States and either a citizen or national of the United States, an alien lawfully admitted for permanent residence in the United States, a citizen of the Commonwealth of the Northern Mariana Islands, a citizen of the Republic of Palau, a citizen of the Republic of the Marshall Islands, or a citizen of the Federated States of Micronesia.

(2) Is enrolled or has been accepted for enrollment as a full-time student at a school;

(3) Comes from a disadvantaged background. For purposes of this program, an individual from a disadvantaged background is one who—

(i) Comes from an environment that has inhibited the individual from obtaining the knowledge, skills, and abilities required to enroll in and graduate from a school; or

(ii) Comes from a family with an annual income below a level based on low income thresholds according to family size published by the U.S. Bureau of the Census, adjusted annually for changes in the Consumer Price Index, and adjusted by the Secretary for use in all health professions programs. The Secretary will periodically publish these income levels in the FEDERAL REGISTER; and

(4) Has exceptional financial need. For purposes of this program, a student will have exceptional financial need if the school determines that the student's resources, as described in para-

graph (b)(1) of this section, do not exceed the lesser of \$5,000 or one-half of the cost of attendance at the school. Student summer earnings, educational loans, veterans (G.I.) benefits, and earnings during the school year will not be considered resources for purposes of determining whether a student has exceptional financial need.

(b) *Selection of aid recipients.* The school will select qualified recipients and determine the amount of aid to be awarded to provide its needy students with the maximum possible benefit.

(1) In determining the amount of aid an eligible student needs to pursue a full-time course of study at the school, the school will take into consideration:

(i) The financial resources available to the student by using one of the national need analysis systems or any other procedure approved by the Secretary of Education in combination with other information which the school has regarding the student's financial status. The school must take into account, regardless of the tax status of the student, the expected contribution from parents, spouse, self, or (as appropriate) other family members. In making this determination, the school must consider photocopies of the parents', student's, and spouse's Federal income tax forms with original signatures for the most recent tax year (or certification that no Federal income tax return was filed and documentation of the total income for the most recent tax year), and may require tax returns that are certified as having been received by the Internal Revenue Service (IRS); and

(ii) The costs reasonably necessary for the student's attendance at the school. The school must document the criteria used for determining these costs. This documentation must include resource materials used by the school to determine the dollar amount for each category of expenses in its standard student budgets.

(2) The school must select aid recipients in order of greatest need, as determined by the school. The school may consider other scholarship, grant, or

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fellowship funds that a student has received or will receive for the award period when determining the order of greatest need.

(Approved by the Office of Management and Budget under control number 0915-0028)

[52 FR 18675, May 18, 1987, as amended at 57 FR 45743, Oct. 5, 1992; 61 FR 6128, Feb. 16, 1996]

§ 57.2905 Amount of student award.

(a) The total award made under this program to any student, plus all other sources of aid the student has received or will receive for the award period, may not exceed the amount the school determines that the student needs to meet the costs of education (i.e., tuition, fees, books, equipment, other expenses required by the school, and reasonable living expenses) for the period covered by the award. The total award made under this program to any student may be less than the amount the school determines that the student needs to meet the costs of education for the period covered by the award.

(b) The total award made under this program to any student for a school year may not exceed \$10,000. The maximum amount awarded during a 12-month period to any student enrolled in a school which provides a full-time course of study longer than the traditional 9-month school year may be proportionately increased.

(c) The school must disburse this award to the student in payments based on the student's need during each academic period (e.g. semester, quarter, trimester) of a school year.

§ 57.2906 How is the amount of the grant award determined?

(a) The amount of the grant to each eligible school will be the amount requested in its application, except that if the total of the amounts requested for any fiscal year by all schools for these funds exceeds the amount of Federal funds determined by the Secretary at the time of payment to be available for this purpose, the grant to each school will be reduced to whichever is smaller:

- (1) The amount requested in the application; or
- (2) An amount which bears the same ratio to the total amount of Federal

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funds determined by the Secretary at the time of grant award to be available for that fiscal year for this program as the number of eligible students at the school bears to the total number of eligible students at all participating schools during that year.

(b) Amounts remaining after the calculation described in paragraph (a) will be distributed in accordance with paragraph (a)(2) of this section among schools whose applications requested more than the amount paid to them, but with whatever adjustments may be necessary to prevent the total grant to any school from exceeding the amount requested by it.

§ 57.2907 For what purposes may grant funds be spent?

(a) A school shall only spend funds it receives under this subpart in accordance with the approved application, the authorizing legislation, terms and conditions of the grant award, and these regulations.

(b) The school must discontinue all payments to a recipient in the event that the recipient ceases to be a full-time student at the school, and must remit any unused balance of funds to the Federal Government in the event it is unable to make full use of its grant award during the award period.

§ 57.2908 What additional Department regulations apply to grants?

Several other regulations apply to these grants. They include, but are not limited to, the following:

- 42 CFR part 50, subpart D—Public Health Service Grant Appeals Procedure
- 45 CFR part 16—Procedures of the Departmental Grant Appeals Board
- 45 CFR part 74—Administration of Grants
- 45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants).
- 45 CFR part 80—Nondiscrimination Under Programs Receiving Federal Assistance Through the Department of Health and Human Services Effectuation of title VI of the Civil Rights Act of 1964
- 45 CFR part 81—Practice and Procedure for Hearings Under part 80 of this title
- 45 CFR part 83—Regulation for the Administration and Enforcement of sections 794 and 855 of the Public Health Service Act

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45 CFR part 84—Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting From Federal Financial Assistance

45 CFR part 86—Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting From Federal Financial Assistance

45 CFR part 91—Nondiscrimination on the Basis of Age in HHS Programs or Activities Receiving Federal Financial Assistance

45 CFR part 93—New restrictions on lobbying.

[52 FR 18675, May 18, 1992, as amended at 57 FR 45743, Oct. 5, 1992; 61 FR 6128, Feb. 16, 1996]

§ 57.2909 What other records, audit, and inspection requirements apply to schools?

(a) Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

(b) The school must also maintain the following records in computer, electronic, microfiche, microfilm, or paper form:

(1) A record of all recipients of aid under this program which includes, for each recipient, a copy of the total need analysis and determination of resources, documentation for any changes made to the need analysis report used by the school, documentation that the recipient met the eligibility requirements, a copy of the student budget used to determine the recipient's costs of attendance, and documentation of other sources of aid received by the recipient;

(2) A record of the amount of funds awarded to each recipient; and

(3) A record of each institutional application for funding, including documentation to support the number of eligible students listed on each application and how they met the eligibility criteria.

(c) Institutional officials who have information which indicates the potential or actual commission of fraud or other offenses against the United States, involving these funds, should promptly provide this information to

the appropriate Regional Office of Inspector General for Investigations.

(Approved by the Office of Management and Budget under control number 0915-0028)

[52 FR 18675, May 18, 1987, as amended at 61 FR 6128, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§ 57.2910 Additional conditions.

The Secretary may impose additional conditions on any grant award before or at the time of an award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

Subpart EE—Grants for Residency Training in Preventive Medicine

AUTHORITY: Sec. 793 of the Public Health Service Act, 95 Stat. 928 (42 U.S.C. 295h-1c); redesignated as section 788(c) of the Public Health Service Act, 102 Stat. 3134-3135 (42 U.S.C. 295g-8(e)); renumbered as sec. 763, as amended by Pub. L. 102-408, 106 Stat. 2047 (42 U.S.C. 294b).

§ 57.3001 To what programs do these regulations apply?

These regulations apply to the award of grants under section 763 of the Public Health Service Act (42 U.S.C. 294b) to schools of medicine, osteopathic medicine and public health to meet the costs of projects to (a) plan and develop new approved residency training programs and to maintain or improve existing approved residency training programs in preventive medicine and (b) provide financial assistance to residency trainees enrolled in such programs.

[51 FR 11031, Apr. 1, 1986, as amended at 57 FR 45743, Oct. 5, 1992; 61 FR 6128, Feb. 16, 1996]

§ 57.3002 Definitions.

Academic year means course work sufficient to satisfy the requirements for the Master of Public Health degree or its equivalent which is required by all approved residency programs. In the usual situation, this course work is taken during a single year.

Act means the Public Health Service Act, as amended.

Approved residency training program means the entirety or that part of a residency training program in preventive medicine which is fully or provisionally accredited by the Accreditation Council for Graduate Medical Education or approved by the American Osteopathic Association.

Clinical year means postgraduate training which provides experience in direct patient care including ambulatory and inpatient experience. The one year of required training can be provided in an accredited program in one of the recognized clinical specialties or through clinical training sponsored by a preventive medicine residency training program. The clinical year is generally a prerequisite for the preventive medicine residency training program or the first year of such program.

Field year means specialized instruction and supervised experience in the resident's selected area of emphasis, and is usually one year in duration. The field year is usually the last year of the preventive medicine residency training program and is generally conducted at a site remote from that of such program.

Fields of Preventive Medicine means the following group of basic components common to all preventive medicine specialties (a) biostatistics, (b) epidemiology, (c) administration of health and medical programs, (d) environmental hazards to health, (e) social, cultural and behavioral factors in medicine, and (f) the application of preventive principles in clinical practice.

Full-time faculty means an individual or individuals who are employed as faculty of a school of medicine, osteopathic medicine or public health on a full-time basis as defined by the general policies of the applicant institution.

Nonprofit refers to the status of an entity which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Preventive Medicine is a specialized area of medical practice composed of

distinct disciplines which use skills focusing on the health of defined populations in order to promote and maintain health and well-being and prevent disease, disability, and premature death. The specialties of preventive medicine are: General preventive medicine, public health, occupational health, and aerospace medicine.

Program Director means an individual appointed by the grantee institution to direct and supervise the residency training program who is certified or otherwise qualified as required by the Accreditation Council for Graduate Medical Education.

Secretary means the Secretary of Health and Human Services, and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

[51 FR 11031, Apr. 1, 1986, as amended at 57 FR 45743, Oct. 5, 1992; 61 FR 6128, Feb. 16, 1996]

§ 57.3003 Who is eligible to apply for a grant?

Accredited public or private non-profit schools of medicine, osteopathic medicine or public health located in a State are eligible to apply for a grant. Each eligible applicant desiring a grant under this subpart shall submit an application at the time and in such a form that the Secretary may prescribe. To be eligible for a grant, an applicant must demonstrate that it has, or will have by the end of 1 year of grant support, full-time faculty with training and experience in the fields of preventive medicine and support from other faculty members trained in public health and other relevant specialties and disciplines.

(Approved by the Office of Management and Budget under control number 0915–0060)

[57 FR 45743, Oct. 5, 1992]

§ 57.3004 Project requirements.

A project supported under this subpart must be conducted in accordance with the following requirements:

(a) Each project must have a project director who works at the grantee institution on an appointment consistent with other major departments, heads or will head the unit, and has relevant training and experience in preventive medicine.

(b) Each project must have an appropriate administrative and organizational plan and appropriate staff and facility resources for the achievement of stated objectives.

(c) Each project must systematically evaluate the educational program, including the performance and competence of trainees and faculty, the administration of the program, and the degree to which program and educational objectives are met.

(d) All field experiences must be supervised by a qualified faculty member.

(e) All applicants must either demonstrate an increase in minority and disadvantaged residents or show evidence of efforts to recruit minority and disadvantaged residents.

(Approved by the Office of Management and Budget under control number 0915-0060)

[51 FR 11031, Apr. 1, 1986, as amended at 57 FR 45744, Oct. 5, 1992]

§ 57.3005 How will applications be evaluated?

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will decide which applications to approve by considering, among other factors:

(1) The potential effectiveness of the proposed project in carrying out the training purposes of section 763 of the PHS Act;

(2) The extent of responsiveness to the project requirements described in § 57.3004;

(3) The administrative and management capability of the applicant to carry out the proposed project in a cost-effective manner;

(4) The degree to which the proposed training program emphasizes health promotion and disease prevention;

(5) The degree to which the applicant demonstrates institutional commitment to the proposed program; and

(6) The history of the program including number of residents who successfully completed the program.

(b) In determining the funding of applications approved under paragraph (a) of this section, the Secretary will consider any special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[51 FR 11031, Apr. 1, 1986, as amended at 53 FR 14792, Apr. 26, 1988; 57 FR 45744, Oct. 5, 1992; 61 FR 6128, Feb. 16, 1996]

§ 57.3006 How long does grant support last?

(a) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to re compete for funds. This period, called the project period, will not exceed 3 years.

(b) Generally, the grant will initially be funded for 1 year, and subsequent continuation awards will also be for 1 year at a time. Decisions regarding continuation awards and the funding levels of these awards will be made after consideration of such factors as the grantee's progress and management practices, existence of legislative authority, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation or other award with respect to any approved application or portion of any approved application. For continuation support,

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grantees must make separate application at such times and in such a form as the Secretary may prescribe.

[51 FR 11031, Apr. 1, 1986, as amended at 57 FR 45744, Oct. 5, 1992]

§ 57.3007 How is the amount of the grant award determined?

(a) The amount of any award will be limited to that portion of the annual program costs which the Secretary determines, on the basis of the documentation required in the application, cannot reasonably be paid from other available funds. Moreover, the amount of any stipend will be limited to that portion of the annual amount normally paid to other residents by the applicant which the Secretary determines, on the basis of the documentation required in the application, cannot reasonably be paid from other available funds. The applicant must document attempts to pursue other sources of funding.

(b) Stipend support may only be given to residents in the academic and field years of training, and support to each resident is limited to 2 years of training, excluding the clinical year.

(Approved by the Office of Management and Budget under control number 0915-0060)

[51 FR 11031, Apr. 1, 1986, as amended at 57 FR 45744, Oct. 5, 1992]

§ 57.3008 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) Grantees may not spend grant funds for sectarian instruction or for any religious purpose.

(c) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the

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grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[51 FR 11031, Apr. 1, 1986, as amended at 57 FR 45744, Oct. 5, 1992]

§ 57.3009 What additional Department regulations apply to grantees?

Several other regulations apply to grants under this subpart. These include, but are not limited to:

42 CFR part 50, subpart D—Public Health Service grant appeals procedure

45 CFR part 16—Procedures of the Departmental Grant Appeals Board

45 CFR part 46—Protection of human subjects

45 CFR part 74—Administration of grants

45 CFR part 75—Informal grant appeals procedures

45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this title

45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance

45 CFR part 93—New restrictions on lobbying.

[51 FR 11031, Apr. 1, 1986, as amended at 57 FR 45744, Oct. 5, 1992; 61 FR 6128, Feb. 16, 1996]

§ 57.3010 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

[61 FR 6128, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§ 57.3011 Additional conditions.

The Secretary may impose additional conditions in the grant award before or at the time of the award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

[51 FR 11031, Apr. 1, 1986]

Subpart FF—Grants for Residency Training and Faculty Development in General Internal Medicine and/or General Pediatrics

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, 63 Stat. 35 (42 U.S.C. 216); sec. 784 of the Public Health Service Act, 90 Stat. 2315, as amended by 95 Stat. 922-923 and 99 Stat. 540 (42 U.S.C. 295g-4); renumbered as sec. 748, as amended by Pub. L. 102-408, 106 Stat. 2043 (42 U.S.C. 293l).

§ 57.3101 To what projects do these regulations apply?

The regulations of this subpart apply to grants to schools of medicine and osteopathic medicine and public or private nonprofit hospitals and other public or private nonprofit entities under section 748 of the Public Health Service Act (42 U.S.C. 293l) to assist in meeting the cost of projects—

(a) To plan, develop and operate approved residency training programs in internal medicine and/or pediatrics which emphasize the training of residents for the practice of general internal medicine and/or general pediatrics;

(b) To provide financial assistance (in the form of traineeships and fellowships) to residents who are participants in this type of program, and who plan to practice general internal medicine and/or general pediatrics;

(c) To plan, develop and operate a program for the training of physicians who plan to teach in a general internal medicine and/or general pediatrics training program; and

(d) To provide financial assistance (in the form of traineeships or fellowships) to physicians who are participants in any such program and who plan to teach in a general internal medicine and/or general pediatrics training program.

[53 FR 50408, Dec. 15, 1988, as amended at 57 FR 45744, Oct. 5, 1992; 61 FR 6128, Feb. 16, 1996]

§ 57.3102 Definitions.

For purposes of this subpart:

Act means the Public Health Service Act, as amended.

Approved residency training program or program is the entirety or that part of a residency training program which is fully or provisionally accredited by the Accreditation Council for Graduate Medical Education or approved by the American Osteopathic Association and which emphasizes the training of residents for the practice of general internal medicine or general pediatrics.

Faculty development program means a systematic training program to increase faculty competence in teaching skills and in other areas related to academic responsibility.

Health professional shortage area means an area designated under section 332 of the Act.

Nonprofit refers to the status of an entity which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Nurse practitioner means a nurse practitioner as defined in 42 CFR 57.2402.

Practice of general internal medicine or general pediatrics means a practice which is limited to adult or child and adolescent medicine respectively, and in which the physician:

(1) Serves as physician of first contact with the patient and provides a timely means of entry into the health care system;

(2) Evaluates the patient's health needs, provides personal health care

and refers the patient, if indicated, to appropriate sources of health care while preserving the continuity of care;

(3) Assumes with the patient responsibility for the patient's longitudinal and comprehensive (including preventive and psychosocial) health care and acts as coordinator of the provision of health services to the patient;

(4) Considers the patient's health care within the context of his or her environment including the community and family or comparable social units; and

(5) Where applicable, plans and shares the above functions with other physicians.

Project director means a fully licensed physician on the faculty of the grantee, designated by the grantee in the grant application and approved by the Secretary to direct the project being supported under this subpart.

School of medicine and osteopathic medicine means a public or private nonprofit school which provides training leading respectively to a degree of doctor of medicine or to a degree of doctor of osteopathic medicine and which is accredited as provided in section 799(1)(E) of the Act.

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

Trainee means an allopathic or osteopathic general internist or general pediatrician participating in a faculty development training program supported by a grant under section 748 and receiving stipend support for such grant.

[45 FR 51202, Aug. 1, 1980, as amended at 49 FR 6906, Feb. 24, 1984; 53 FR 50408, Dec. 15, 1988; 57 FR 45744, Oct. 5, 1992; 61 FR 6128, Feb. 16, 1996]

§ 57.3103 Who is eligible to apply for a grant?

Any school of medicine or osteopathic medicine, public or private nonprofit hospital or any other public or private nonprofit entity, located in a State, may apply for a grant under this subpart. Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at such time as the Secretary may prescribe.

[57 FR 45744, Oct. 5, 1992]

§ 57.3104 What activities must be addressed in an application?

In addition to other pertinent information which the Secretary may require, an application for a grant under this subpart must contain the following:

(a) A proposal for a project to plan, develop, and operate an approved residency training or faculty development program in internal medicine and/or pediatrics—

(1) Which emphasizes the training of residents for the practice of general internal medicine and/or general pediatrics and faculty for teaching in such programs, and

(2) Which may provide financial assistance to residents and trainees who are participants in the programs and who plan to practice or teach in general internal medicine and/or general pediatrics.

(b) A full and adequate description of the proposed project and of the manner in which the applicant intends to conduct the project and carry out the requirements of this subpart.

(c) A description of the resources to be used by the applicant for the conduct of the proposed project, including faculty, staff, equipment, facilities, and appropriate clinical practice settings (including those which are used to meet the requirements of § 57.3105(j) and (l)).

(d) In programs other than faculty development, a description of the type and amount of training to be offered to residents in each year of each residency program in accordance with the requirements of § 57.3105 with special attention to the requirements of § 57.3105(a)(11).

(e) In programs other than faculty development, the number of residents to be enrolled in each program, at each level of training, for each year of the project period.

(f) A detailed budget for the proposed project and a justification of the amount of grant funds requested.

(g) Documentation showing that funds available from other sources will be insufficient to meet the costs of the project and that grant funds will not be used to supplant other available funds.

(h) If stipend support is requested by an applicant to provide a portion of the salary of residents enrolled in the program, documentation showing that income available from alternative sources, including income derived from the services of the residents in the program, will be insufficient to pay their salaries and that grant funds will not be used to supplant other available funds. Stipend support requested for trainees in the faculty development program must be paid in accordance with established Public Health Service postdoctoral stipend levels.

(Approved by the Office of Management and Budget under control number 0915-0060)

[45 FR 51202, Aug. 1, 1980, as amended at 49 FR 6906, Feb. 24, 1984; 53 FR 50408, Dec. 15, 1988]

§ 57.3105 Project requirements.

(a) For each residency program, a project must:

(1) Have a residency program director.

(2) Employ an individual with relevant experience or training who is responsible for curriculum development and evaluation.

(3) Employ faculty members experienced in the practice of general internal medicine and/or general pediatrics who participate as instructors at principal training settings.

(4) Employ individual(s) with formal education in behavioral sciences who participate in the preparation and implementation of the curriculum and in clinical consultation.

(5) Use a resident recruitment and selection process which assures that residents in the program have applied specifically for training in a program that emphasizes the practice of general in-

ternal medicine and/or general pediatrics.

(6) Provide financial assistance from grant funds only to residents who have signed statements of their intention to specialize or work in the practice of general internal medicine and/or general pediatrics.

(7) Have, in each program of a school of medicine, at least four residents in training by the beginning of the second year of Federal support, and at least 12 residents in training by the beginning of the fourth year of Federal support. By the beginning of the fourth year of Federal support, a program may meet this requirement with less than 12 residents in training if the number of internal medicine or pediatric residents in primary care training is at least 50 percent of the total number of internal medicine or pediatric residents at the institution. The Secretary may suspend this requirement for a period which he or she finds appropriate if the Secretary determines that a grantee has made a good faith effort to comply with the requirement and has met the other requirements of this Subpart and the Act, but is unable to have the required number of residents in the program due to circumstances beyond its control.

(8) Have, in each program of a school of osteopathic medicine, at least two residents in training by the beginning of the second year of Federal support; and at least six residents in training in 3-year programs and at least four residents in training in 2-year programs by the beginning of the fourth year of Federal support. The Secretary may suspend any of these requirements for a period which he or she finds appropriate if the Secretary determines a grantee has made a good faith effort to comply with the requirement and has met the other requirements of this Subpart and the Act, but is unable to have the required number of residents in the program due to circumstances beyond its control.

(9) Plan to have residents distributed so that there is no decrease in numbers of residents in successive levels of training by the time the program is fully operational.

(10) Use one or more ambulatory care training settings which actively promote the practice of general internal medicine and/or general pediatrics, and which:

(i) Attract patients for primarily longitudinal and comprehensive (including psychosocial and preventive) health care;

(ii) Organize personnel, including residents, into functional units providing comprehensive health services and provide residents with experience working with various types of health personnel;

(iii) Have systems for referring patients to other specialists, and subspecialists, which assure coordination with the patients' own practitioners of general internal medicine and/or general pediatrics;

(iv) Use an appointment system which facilitates the assignment of patients to their practitioner of general internal medicine and/or general pediatrics or to a particular team of practitioners; and

(v) Use a medical record system which:

(A) Gives practitioners of general internal medicine and/or general pediatrics ready access to a patient's medical records including data relating to members of the patient's family which is pertinent to the patient's care;

(B) Is suitable for audit by organizations or individuals who perform this work with adequate safeguards against unauthorized disclosures; and

(C) Assures systematic review of the records.

(11) Make provision for each resident to serve a panel of patients and/or families who recognize him or her as their provider of longitudinal and comprehensive (including preventive and psychosocial) health care. The panel must be sufficiently numerous and varied to provide the resident with broad clinical experience. The clinical experience must be scheduled principally in ambulatory care settings as described in paragraph (a)(10) of this section.

(12) Offer ambulatory care training relevant to general internal medicine and/or general pediatrics in settings such as emergency rooms and specialty clinics.

(13) Have a planned curriculum which:

(i) Supplements the residents' inpatient and ambulatory patient care experiences with related educational activities such as courses, presentations, discussions, and reading assignments;

(ii) Emphasizes subjects pertaining to:

(A) Ambulatory care;

(B) Psychosocial skills and topics; and

(C) Non-clinical areas relevant to the practitioner of general internal medicine and/or general pediatrics; and

(iii) Is annually evaluated, using previously established criteria and objectives in a manner which includes the participation of residents.

(14) Develop and use systematic procedures to assess the individual resident's needs and to assist in educational planning and evaluation of the resident's competence.

(b) For each faculty development program, a project must:

(1) Have a project director who is employed by the grantee or training institution, has relevant training and experience, and has been approved by the Secretary to direct the project;

(2) Have an appropriate administrative and organizational plan and appropriate faculty, staff and facility resources to achieve the stated objectives;

(3) Have a curriculum which:

(i) Directly applies to general internal medicine and/or general pediatrics,

(ii) Emphasizes improvement of pedagogical skills and techniques for clinical teaching in classroom and ambulatory health care settings, and

(iii) Uses structured didactic and experiential teaching strategies.

(iv) With respect to training programs of 9 or more months duration, the curriculum must also include:

(A) A research component, with a research project to be completed by each trainee, and

(B) An administrative component which addresses the non-teaching roles and functions of faculty;

(4) Systematically evaluate the educational program, including trainees and faculty, the administration of the program, and the degree to which the

program and educational objectives are met;

(5) Have as trainees only physicians who teach or plan teaching careers in general internal medicine and/or general pediatrics;

(6) To be eligible for stipend support from grant funds, a trainee must:

(i) Be a general internist or a general pediatrician,

(ii) Intend to teach in a general internal medicine and/or general pediatrics program on a full-time basis,

(iii) Be a full-time participant in the training project for at least 3 months, and

(iv) Receive less than full institutional salary during the period of Federal support of stipends; and

(7) Stipend support from grant funds may be no longer than 24 cumulative months for any trainee.

[45 FR 51202, Aug. 1, 1980, as amended at 49 FR 6906, Feb. 24, 1984; 53 FR 50409, Dec. 15, 1988; 54 FR 51745, Dec. 18, 1989; 57 FR 45744, Oct. 5, 1992]

§ 57.3106 How will applications be evaluated?

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will award grants to applicants whose projects best promote the purposes of section 748 of the Act. The Secretary will take into consideration, among other factors:

(1) The degree to which the proposed project adequately provides for the project requirements set forth in § 57.3105;

(2) The administrative and management capability of the applicant to carry out the proposed project in a cost-effective manner;

(3) The qualifications of the proposed staff and faculty;

(4) The potential of the project to continue on a self-sustaining basis; and

(5) For faculty development programs, the applicant must demonstrate

the institution's commitment to general internal medicine and/or general pediatrics as defined under § 57.3102.

(b) In determining the funding of applications approved under paragraph (a) of this section, the Secretary shall give priority to applicants that demonstrate a commitment to general internal medicine and general pediatrics in their medical education training programs. However, should specific needs warrant, the Secretary will consider any other special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[45 FR 51202, Aug. 1, 1980, as amended at 53 FR 14792, Apr. 26, 1988; 53 FR 50409, Dec. 15, 1988; 61 FR 6128, Feb. 16, 1996]

§ 57.3107 How long does grant support last?

(a) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to re compete for funds. This period, called the project period, will not exceed 5 years.

(b) Generally, the grant will initially be funded for 1 year, and subsequent continuation awards will also be for 1 year at a time. Decisions regarding continuation awards and the funding levels of these awards will be made after consideration of such factors as the grantee's progress and management practices, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation or other award with respect to any approved application or portion of an approved application. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

[45 FR 51202, Aug. 1, 1980, as amended at 53 FR 50409, Dec. 15, 1988; 57 FR 45744, Oct. 5, 1992]

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§ 57.3108 How is the amount of the grant award determined?

The amount of any award will be limited to that portion of the annual program costs which the Secretary determines, on the basis of the documentation required in the application, cannot reasonably be paid from other available funds. Further, the amount of any stipend will be limited to that portion of the annual amount normally paid to other residents by the applicant which the Secretary determines, on the basis of the documentation required in the application, cannot reasonably be paid from other available funds, including the incomes derived by the hospital from the residents' services.

[45 FR 51202, Aug. 1, 1980]

§ 57.3109 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) Grantees may not spend grant funds for sectarian instruction or for any religious purpose.

(c) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds provided and made available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts provided by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[45 FR 51202, Aug. 1, 1980, as amended at 53 FR 50409, Dec. 15, 1988; 57 FR 45745, Oct. 5, 1992]

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§ 57.3110 What additional Department regulations apply to grantees?

Several other regulations apply to grants under this subpart. These include, but are not limited to:

- 42 CFR part 50, subpart D—Public Health Service grant appeals procedure
- 45 CFR part 16—Procedures of the Departmental Grant Appeals Board
- 45 CFR part 46—Protection of human subjects
- 45 CFR part 74—Administration of grants
- 45 CFR part 75—Informal grant appeals procedures
- 45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)
- 45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964
- 45 CFR part 81—Practice and procedure for hearings under part 80 of this title
- 45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act
- 45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance
- 45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance
- 45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance
- 45 CFR part 93—New restrictions on lobbying.

[49 FR 38115, Sept. 27, 1984, as amended at 57 FR 45745, Oct. 5, 1992; 61 FR 6129, Feb. 16, 1996]

§ 57.3111 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

[61 FR 6129, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§ 57.3112 Additional conditions.

The Secretary may impose additional conditions in the grant award before or at the time of the award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity,

the interest of the public health, or the conservation of grant funds.

[45 FR 51202, Aug. 1, 1980]

Subpart GG—Payment for Tuition and Other Educational Costs

AUTHORITY: Sec. 215, Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 711, Public Health Service Act, 90 Stat. 2253; section 710, PHS Act, as redesignated by Pub. L. 97-35, 95 Stat. 915 (42 U.S.C. 292k).

§ 57.3201 To which programs do these regulations apply?

The regulations in this subpart establish the criteria to be used in determining allowable increases in tuition and other educational costs for which the Secretary is responsible for payment under the following sections of the Public Health Service Act: The National Health Service Corps Scholarship Program (sec. 338A) (42 U.S.C. 2541) and the Indian Health Scholarship Program (awarded pursuant to sec. 338A-339G of the PHS Act) (25 U.S.C. 1613a). These programs are referred to herein as the "scholarship programs." The regulations apply to increases in tuition and other educational costs occurring after the school year beginning immediately before October 1, 1981.

[57 FR 45745, Oct. 5, 1992]

§ 57.3202 How will allowable increases be determined?

(a) The Secretary is responsible for increases in tuition and other educational costs only if the same increase is charged to all students in the same category (for example, the same class year or place of residence) and without regard to whether the student is receiving support under the scholarship programs. A student participating in the scholarship programs may not be denied eligibility because of this participation for any discounts or rebates in tuition or other educational costs given to all other students in the same category at the institution.

(b) Institutions whose enrollment contains 25 percent or more students participating in the scholarship programs, and whose percentage increase in tuition and other educational costs

in any school year exceeds the previous calendar year's average inflation rate as indicated by the *Consumer Price Index for All Urban Areas*, may be requested to provide the Secretary with detailed cost breakdowns justifying the increase.

(c) In the case of a school which is requested to provide the Secretary with cost increase justification under paragraph (b) of this section, the Secretary will be responsible for increases in tuition and other educational costs charged to students participating in the scholarship programs over the amount charged for the school year immediately preceding the increase only to the extent that they are: (1) Attributable to uncontrollable costs, such as fuel costs, mandated cost-of-living increases in wages, salaries and fringe benefits, (2) attributable to costs of maintaining and improving the quality of the health professions education provided by the institution, such as hiring additional faculty to improve the faculty-student ratio, costs incurred in off-site training of students, and necessary improvements in teaching equipment. Increases in patient care and research costs are allowable as part of an increase in tuition and other educational costs only to the extent that they can be documented as clearly necessary to maintain and improve the quality of the education being supported; or (3) attributable to loss of revenue from other sources which was used solely for the maintenance and improvement of the educational system.

These three categories of valid escalators of tuition and other educational costs are exclusive. However, the examples *within* each category are merely illustrative and not meant to be inclusive.

(d) If the Secretary, after reviewing all available data, information, and justifications submitted by an institution, determines that an increase in tuition and other educational costs is not allowable under the criteria described in paragraph (a) or (c) of this section, the Secretary will provide the affected institution a detailed written explanation of the basis of that determination. The Secretary will be responsible for that portion of tuition

§ 57.3801

and other educational costs the Secretary determines to be allowable.

[45 FR 71568, Oct. 29, 1980]

Subparts HH–LL [Reserved]

Subpart MM—Area Health Education Center Program

AUTHORITY: Sec. 215, Public Health Service Act, 58 Stat. 690, as amended by 63 Stat. 35 (42 U.S.C. 216); sec. 781, Public Health Service Act, 90 Stat. 2312 (42 U.S.C. 295g-1), as amended.

SOURCE: 48 FR 7446, Feb. 22, 1983, unless otherwise noted.

§ 57.3801 To what programs do these regulations apply?

The regulations of this subpart apply to cooperative agreements entered into by the Secretary under section 781 of the Public Health Service Act (42 U.S.C. 295g-1) with schools of medicine or osteopathy for the planning, development, and operation of area health education center programs.

§ 57.3802 Definitions.

Act means the Public Health Service Act.

Allied health personnel means individuals as defined in 42 CFR 58.502.

Area health education center or *center* means a public or nonprofit private entity which has a cooperative arrangement with one or more schools of medicine or osteopathy for the planning, development, and operation of an area health education center program. A center must be an entity which is recognized under the laws of the State in which it is located and which has as one of its principal functions the operation of the area health education center.

Area health education center program or *project* means a cooperative program among one or more schools of medicine or osteopathy and one or more area health education centers, which is capable of performing the functions described in sections 781(c) and (d) (2) of the Act and § 57.3804 of these regulations, and which is designed to improve the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery

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system and to encourage the regionalization of educational responsibilities of health professions schools.

Cooperative agreement means a legal instrument that reflects an assistance relationship between the Federal Government and the recipient in which substantial programmatic involvement is anticipated between the Federal agency and the recipient during performance of the contemplated activity.

Clerkship means supervised clinical training.

Continuing medical education or *continuing education* means any education for the purpose of maintaining or enhancing the knowledge, attitudes or abilities of a health professional in his or her field which does not lead to any formal advanced standing in the profession.

Health professional means any physician, dentist, optometrist, podiatrist, pharmacist, nurse, nurse practitioner, physician assistant or allied health personnel.

Nurse practitioner means an individual as defined in 42 CFR 57.2402.

Physician assistant means an individual as defined in 42 CFR 57.802.

Preceptorship means an educational experience in which the student works with a designated health professional, the preceptor, who teaches in the student's field of study and personally supervises the student's clinical activity.

School of medicine, osteopathy, dentistry, optometry, podiatry, pharmacy, public health or veterinary medicine means a school as defined in section 701(4) of the Act which is accredited as provided in section 772(b) of the Act.

School of nursing means a collegiate, associate degree or diploma school of nursing as defined in section 853 of the Act.

Training center for allied health professions means a training center as defined in 42 CFR 58.402

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, only the District of Columbia, the Commonwealth of Puerto Rico,

the Commonwealth of Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

§ 57.3803 Who is eligible to apply for a cooperative agreement?

(a) Any public or nonprofit private school of medicine or osteopathy located in a State is eligible to submit a proposal.

(b) More than one accredited school of medicine or osteopathy may submit a joint proposal for the planning, development and operation of an area health education center program. In this case, each school must conduct the activities required by section 781(c) of the Act and § 57.3804(d) of these regulations.

§ 57.3804 Project requirements.

A project supported under this subpart must be conducted in accordance with the following requirements:

(a) Each area health education center program must have a program director who holds a faculty appointment at a medical or osteopathic school participating in the program and who is responsible for the overall direction and coordination of the program.

(b) Each area health education center program must have a program advisory committee to advise the program director on all aspects of the conduct of the program including administration, education and evaluation. This committee must include representatives of schools and programs of health professions which actively participate in the area health education center program under § 57.3804(d)(5) of this subpart and section 781(c)(4) of the Act, individuals with training and experience in the fields of medicine or osteopathy, dentistry, nursing, and an allied health profession, as well as a representative of each of the centers cooperating in the program.

(c) Each area health education center program must annually evaluate its activities to ascertain the extent to which it is meeting the purposes described in section 781(a) of the Act.

(d) *Requirements for schools of medicine or osteopathy.* A school of medicine or osteopathy participating in an area health education program (with the exception of a school whose only function

is to provide resources by purchase agreement to a center) must meet the following requirements. However, a school of medicine or osteopathy must fulfill the requirement of § 57.3804(d)(4) only if no other school of medicine or osteopathy participating in the program meets this requirement. Each school of medicine or osteopathy must:

(1) Have a cooperative arrangement with an area health education center, as evidenced by a written agreement. This agreement must provide at a minimum that the schools participating in the program will perform the following functions:

(i) Provide faculty to assist in the conduct of the center's educational activities, as necessary;

(ii) Provide an agreed upon amount of funds to the center to assist the center in meeting the costs of its activities, including those described in section 781(d)(2) of the Act;

(iii) Be responsible for the quality of the education received in the center, including evaluating the quality of the educational programs required by section 781(d)(2) of the Act and the performance of its students while receiving clinical training in the center. The area health education center must agree to conduct the activities described in section 781(d)(2) of the Act and these regulations, and assist the schools participating in the program in meeting the requirements in section 781(c) of the Act and these regulations.

(2) Provide for the active participation in the program by individuals who are associated with the administration of the school, and staff or faculty members of each of the departments (or specialties if the school has no departments) of internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry and family medicine. These persons may participate in the program in either the school or center and must perform, among others, the following functions: provide guidance on educational program or curriculum development and operation; instruct students (including residents and other practicing health professionals); perform student or program evaluation; and assist in program administration.

(3) Conduct no less than 10 percent of all undergraduate medical or osteopathic clinical education of the school in one or more centers and in clinical settings which are part of or affiliated with a center and in which the center arranges and supports the clinical education. The school shall assure that, annually, the ratio of student weeks of clinical education received by its undergraduate students in centers to the total number of student weeks of clinical education received by its undergraduate students, in any location, is no less than 0.10. For purposes of this paragraph, undergraduate medical or osteopathic clinical education means any clerkships, preceptorships, or other educational activities which are offered in the following fields: family medicine, internal medicine and its subspecialties, pediatrics and its subspecialties, dermatology, obstetrics and gynecology, surgery and its subspecialties, anesthesiology, psychiatry and its subspecialties, neurology, physical medicine and rehabilitation, emergency medicine, nuclear medicine and general preventive medicine, including community medicine. Courses, seminars, and other educational programs which are entirely didactic or laboratory in nature or which are primarily in anatomy, biochemistry, physiology, microbiology, pharmacology, or pathology are not included in this definition.

(i) The Secretary may waive, for good cause shown, all or part of the requirement of this paragraph if another such school participating in the same program meets the requirement.

(ii) To obtain a waiver, a school must submit a written request to the Secretary fully describing and documenting the good cause and stating which school meets the requirement. This request must include the following information:

(A) The extent to which the school for which the waiver has been requested has attempted to meet this requirement. A description of efforts and the reasons why the school cannot meet the requirement must demonstrate that the school has made a good faith effort, but constraints beyond its control have caused these efforts to be unsuccessful.

(B) The length of time for which this waiver is requested, and a plan and timetable for meeting the requirement.

(C) The alternative mechanisms the schools will use to provide clinical experiences in locations removed from the site of the teaching facilities where the major part of the educational program of any participating schools is conducted if the waiver is granted.

(4) Be responsible for, or conduct a program for the training of physician assistants, which meets the requirements of 42 CFR part 57, subpart I, or nurse practitioners, which meets the requirements of 42 CFR part 57, subpart Y, appendix. If one school which is participating in the area health education center program provides for or conducts a program for the training of physician assistants or nurse practitioners meeting this requirement, other schools participating in the program may, but need not, provide for or conduct a physician assistant or nurse practitioner program. Where the school is responsible for, but does not conduct one of these programs, it must participate in the presentation, review, and evaluation of one of these programs at an affiliated institution so that at least part of the education in the program is provided by faculty of the school. The school must give special consideration to the enrollment in these programs of individuals from or who plan to practice in the area served by the center by either:

(i) Giving preference to applicants whose place of residence has been in the area served by the center at any time prior to application; or

(ii) Obtaining a signed statement from applicants, indicating an intent to practice the skills acquired in the program in the areas.

(5) Provide for the active participation of at least two schools or programs of other health professions in the educational program conducted in the area served by the center(s). In meeting this requirement:

(i) One of the participating schools or programs must be a school of dentistry, if there is one affiliated with the university with which the school of medicine or osteopathy is affiliated;

(ii) Only the following schools or programs of other health professions may

be included to meet the requirement of this paragraph:

(A) Training centers for the allied health professions;

(B) Schools of nursing;

(C) Schools of optometry;

(D) Schools of pharmacy;

(E) Schools of podiatry; or

(F) Schools of public health.

(iii) Each school or program participating in the area health education center program under this paragraph must have a written agreement with the school(s) of medicine or osteopathy, under which the school or program agrees to assist and participate, as is appropriate, in the activities of each center as required under section 781(d)(2) of the Act.

(iv) Each school or program participating in the area health education center under this paragraph must have a written agreement with each center, under which the school or program agrees to provide some or all of its students with educational experiences in the center or in settings affiliated with the center, and the center agrees to arrange for and support the provision of the educational programs. This agreement may be part of the agreement required by paragraph (d)(1) of this section.

(e) *Requirements for area health education centers.* Each area health education center participating in an area health education center program must:

(1) Designate either a geographic area or medically underserved population which it will serve ("the area served by the center"). This area or population must be in a location remote from the main site of the teaching facilities of the schools which participate in the program. For purposes of this requirement,

(i) A medically underserved population means the population of a geographic area designated as a primary medical personnel shortage area under section 332 of the Act or a population group designated under section 332 of the Act as having a shortage of primary medical care personnel;

(ii) An area or population will meet this requirement if its location is removed from the site of the teaching facilities where the major part of the educational program of any partici-

pating school is conducted. The area served by the center must not duplicate, in whole or in part, the area served by any other center.

(2) Provide for or conduct training in health education services, in the area served by the center. This training must consist of courses and programs to train health professionals to instruct the public or patients in medical self-help, disease prevention, accident prevention, nutrition, physical fitness, and other subjects relating to health maintenance, and must include the principles of nutrition, the evaluation of nutritional status, and nutritional counseling. The training must be oriented toward the ethnic and cultural backgrounds of the people in the area.

(3) Assess the health manpower needs of the area served by the center and assist in the planning and development of training programs to meet these needs. In meeting this requirement, the center should work with existing health systems agencies designated for the area served by the center and other appropriate entities by cooperatively developing and sharing data on health personnel needs of the area for the next 10 years and in developing a plan for training programs to meet these needs. In areas where HSAs exist, the planned training programs must be consistent with the health personnel projections developed by the health systems agencies. At a minimum, the center must assess the need for (i) personnel to provide health education and nutrition counseling services; (ii) primary care health personnel including physicians in family practice, general internal medicine, general pediatrics, and obstetrics and gynecology, physician assistants, and nurse practitioners; (iii) mental health practitioners; (iv) dentists; and (v) nurses. In carrying out its responsibility to assess health personnel needs in the area, the center shall, to the maximum extent practicable, use existing data (including data used for the designation of shortage areas under sections 332 and 836(h) of the Act).

(4) Provide for or conduct a rotating osteopathic internship or medical residency training program in family practice, general internal medicine or general pediatrics, or osteopathy in which

no fewer than six persons are enrolled in first-year positions in the program. If one center which is participating in the area health education center program provides for or conducts a medical residency training program meeting this requirement, other centers participating in the program may, but need not, provide for or conduct a medical residency training program in these fields. In meeting this requirement:

(i) A family practice residency for allopathic and osteopathic physicians must meet the requirements of section 786(a) of the Act, and implementing regulations.

(ii) A general internal medicine or general pediatrics residency must meet the requirements of 42 CFR 57.3104, except for the requirements in paragraphs (h) and (i) of that section.

(iii) The center must conduct the medical residency training program at a site which is part of the center or provide for the conduct of this program, by written affiliation agreement with an appropriate entity located in the area served by the center.

(5) Provide opportunities for continuing medical education (including education in disease prevention) to all physicians and other health professionals practicing within the area served by the center. This continuing medical education must include courses, seminars, lectures, grand rounds, clinical pathological conferences, mini-residencies, library services, or in-house training, as appropriate, for all health professionals in the area. In meeting this requirement:

(i) The center must assess the need for providing continuing medical education taking into consideration the numbers, needs and location of health professionals in the area as well as educational activities available through other entities.

(ii) The center must announce the availability of continuing medical education activities offered in the center, as well as those provided through other entities in the area, through appropriate and usual distribution channels.

(6) Provide continuing medical education and other educational support services to the National Health Service Corps (Corps) members assigned to the

area served by the center, after notification of the assignment(s) by the Secretary. In meeting this requirement, the center must:

(i) Establish an organized program which will provide for the assessment of the continuing medical education needs of the members of the Corps and offer to members of the Corps, at a cost not to exceed the cost to any other participant, continuing medical education relevant to these identified needs.

(ii) Assist in identifying resources for and encouraging the provision of:

(A) Consultation services, if needed, including telephone consultation to Corps personnel.

(B) A patient referral system, if necessary, to Corps patients and assistance to these patients in obtaining laboratory and pathological services at accessible locations.

(C) Supervision and consultation for non-physician and non-dentist members of the Corps in the area.

(D) Temporary substitutes for Corps personnel, as needed.

(7) Encourage the utilization of nurse practitioners and physician assistants in the area and the recruitment of individuals for training in these professions at the participating medical or osteopathic schools. In meeting this requirement, the center must:

(i) Inform potential employers in the area regarding the following, among other subjects;

(A) The function and utilization of nurse practitioners and physician assistants;

(B) State laws and regulations governing nurse practitioners and physician assistants; and

(C) Reimbursement and malpractice coverage for services rendered by nurse practitioners and physician assistants.

(ii) Determine employment opportunities for nurse practitioners and physician assistants and participate in referral and recruitment of persons for these positions.

(iii) Distribute information in the area concerning the nurse practitioner or physician assistant training program(s) provided for or conducted by the schools of medicine or osteopathy participating in the program, and participate in recruiting persons in the area for the programs.

(8) Arrange and support educational opportunities for medical and other students at affiliated health facilities, ambulatory care centers, and health agencies throughout the area served by the center. In meeting this requirement, the center must:

(i) Coordinate the conduct of the following programs, including assisting in their planning and development, obtaining the necessary resources and providing administrative support services for:

(A) Clinical education for undergraduate medical or osteopathic students in at least family practice, general internal medicine or general pediatrics;

(B) Education for undergraduate and, as appropriate, graduate students, at a school of dentistry, if one is participating in the program;

(C) Education for students of the other schools or programs participating in the area health education center program under paragraph (d)(5) of this section; and

(D) Orientation for high school and post-high school students in schools in the area to develop awareness of health careers and health opportunities.

(9) Have an advisory board of which at least 75 percent of the members are persons from the area served by the center, including health service providers and consumers. For this purpose, health service providers are individuals who derive more than 10 percent of their annual income from the health care industry. In meeting this requirement:

(i) The advisory board must be reasonably divided between:

(A) Providers of health care, including at least one physician, dentist, nurse, and allied health professional who is actively engaged in the practice of his or her profession in the area served by the center; and

(B) Consumers, including students, who reside in the area and are broadly representative of the population in the area in terms of demographic factors, such as race, ethnic background and sex. The advisory board shall advise the chief administrative official of the center on all major policies concerning the operation of the center, on the es-

tablishment of center program priorities and on other issues, as necessary.

§ 57.3805 When do the requirements of § 57.3804 apply?

(a) The period of time in which any entity will have to meet all the requirements of § 57.3804 will be negotiated on a case-by-case basis, depending upon the nature and scope of the planned area health education center program. No cooperative agreement, however, shall provide funds solely for the planning or development of a program for a period of longer than two years.

(b) Each area health education center program must begin planning for at least one center during the first year of support so that at least one center is fully operational and meets all the applicable requirements of § 57.3804 during the third year of support. Additional centers may be phased in during the first four years of Federal support except that once planning for any center is initiated, it must become fully operational and meet all the applicable requirements of § 57.3804 within three years.

(c) Each school with which the Secretary enters into a cooperative agreement under this subpart must meet all the requirements of § 57.3804 during the first four years of Federal support, except that once planning to add any school is initiated, it must meet all the applicable requirements of § 57.3804 within three years.

§ 57.3806 How will applications be evaluated?

(a) After consulting with the National Advisory Council on Health Professions Education established by section 702 of the Act, the Secretary will award cooperative agreements to applicants whose projects will best promote the purposes of section 781 of the Act and these regulations, taking into consideration among other factors:

(1) The degree to which the proposed project adequately provides for the program requirements set forth in § 57.3804;

(2) The capability of the applicant to carry out the proposed project; and

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(3) The extent of the need of the area to be served by the proposed area health education center.

(b) In determining the funding of applications approved under paragraph (a) of this section, the Secretary will consider any special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[48 FR 7446, Feb. 22, 1983, as amended at 53 FR 14792, Apr. 26, 1988]

§ 57.3807 How is the amount of the award determined?

(a) The amount of the award will be based on the Secretary's estimate of the sum necessary for the approved activity.

(b) The Secretary will not provide in any year under this subpart more than 75 percent of the total operating funds of an area health education center program.

§ 57.3808 How long does support under a cooperative agreement last?

(a) The cooperative agreement will specify the length of time the Secretary intends to support the project without requiring the project to recompute for funds. In addition, the maximum period during which a project may be funded will be specified in each cooperative agreement.

(b) Generally, the project will initially be funded for one year, and subsequent continuation awards will also be for one year at a time. A school which enters into a cooperative agreement must submit a separate application to have the support continued for each subsequent year. Decisions regarding continuation awards and the funding levels of these continuation awards will be made after consideration of such factors as the applicant's progress and management practices, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the entering into of any cooperative agreement commits or obligates the Federal Government in any way to make any additional, supple-

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mental, continuation or other award with respect to any approved application or portion of an approved application.

(d) Any balance of federally obligated funds remaining unobligated by the school at the end of a budget period may be carried forward to the next budget period, for use as prescribed by the Secretary, provided a continuation award is made. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the school for that period, including any unobligated balance carried forward from prior periods, exceeds the school's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

§ 57.3809 For what purposes may cooperative agreement funds be spent?

(a) A school which is awarded a cooperative agreement shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the cooperative agreement award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) The area health education center program must spend at least 75 percent of the funds provided under this subpart in any year in area health education centers.

(c) Schools which are awarded cooperative agreements may not spend cooperative agreement funds for sectarian instruction or for any religious purpose.

§ 57.3810 How will the Department participate in a cooperative agreement?

The Secretary anticipates substantial Federal involvement in the management of the project supported under the cooperative agreement. This involvement may include, as determined necessary, the following activities, among others:

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(a) Reviewing and approving plans, upon which continuation of the cooperative agreement is contingent, to permit appropriate direction and conduct of activities;

(b) Reviewing and approving all contracts between the cooperating school of medicine, other health professions schools, and area health education centers;

(c) Participating with project staff in the development of funding projections;

(d) Developing with project staff data collection systems and procedures; and

(e) Participating with project staff in the design of project evaluation protocols and methodologies.

§ 57.3811 What additional Department regulations apply to awardees?

Several other regulations apply to cooperative agreements under this subpart. These include, but are not limited to:

42 CFR part 50, subpart D—Public Health Service grant appeals procedure

45 CFR part 16—Procedures of the Departmental Grant Appeals Board

45 CFR part 46—Protection of human subjects

45 CFR part 74—Administration of grants

45 CFR part 75—Informal grant appeals procedures

45 CFR part 76—Debarment and suspension from eligibility for financial assistance

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this title

45 CFR part 83—Regulation for the administration and enforcement of sections 799A and 845 of the Public Health Service Act¹

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

¹Section 799A of the Public Health Service Act was redesignated as section 704 by Pub. L. 94-484; section 845 of the Public Health Service Act was redesignated as section 855 by Pub. L. 94-63.

45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance

[49 FR 38115, Sept. 27, 1984]

§ 57.3812 What other audit and inspection requirements apply?

Each school which enters into a cooperative agreement must, in addition to the requirements of 45 CFR part 74, meet the requirements of section 705 of the Act concerning audit and inspection.

§ 57.3813 Additional conditions.

The Secretary may impose additional conditions on any award before or at the time of any award if the Secretary determines that these conditions are necessary to assure or protect the advancement of the approved activity, the continued viability of the school, the interest of the public health, or the conservation of public funds.

Subpart NN [Reserved]

Subpart OO—Grants for Geriatric Education Centers

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, 67 Stat. 631 (42 U.S.C. 216); sec. 788(d) of the Public Health Service Act, 99 Stat. 542 (42 U.S.C. 295g-8); redesignated as sec. 789(a), as amended by Pub. L. 100-607, 102 Stat. 3136-37 (42 U.S.C. 295g-9(a)); renumbered as sec. 777(a), as amended by Pub. L. 102-408, 106 Stat. 2052-54 (42 U.S.C. 294a).

SOURCE: 54 FR 5617, Feb. 6, 1989, unless otherwise noted.

§ 57.4001 To what projects do these regulations apply?

These regulations apply to grants to eligible schools and programs under section 777(a) of the Public Health Service Act for geriatric training projects.

[54 FR 5617, Feb. 6, 1989, as amended at 57 FR 45746, Oct. 5, 1992; 58 FR 66298, Dec. 20, 1993]

§ 57.4002 Definitions.

Act means the Public Health Service Act, as amended.

Allied health professional means a health professional who has received a certificate, an associate's degree, a bachelor's degree, a master's degree, a

doctoral degree, or postbaccalaureate training, in a science relating to health care and meets the requirements as established in section 799(5) of the Act.

Budget period means the interval of time into which the project period is divided for budgetary and reporting purposes, as specified in the grant award document.

Continuing education means structured educational programs for practicing health professionals and allied health professionals for the purpose of improving the knowledge and skills in geriatrics of such practitioners with respect to treatment of the health problems of elderly individuals.

Geriatrics is the total health and social care of the elderly.

Geriatric Medicine means the prevention, diagnosis, care and treatment of illness and disability as required by the distinct needs of the elderly.

Graduate program in clinical social work and graduate program in marriage and family therapy means an accredited graduate program as defined in section 799(1)(C) of the Act.

Graduate program in mental health practice means a graduate program in clinical psychology, clinical social work, or marriage and family therapy (section 799(1)(D) of the Act).

Health professional means, for purposes of this subpart, any allopathic or osteopathic physician, dentist, optometrist, podiatrist, pharmacist, professional nurse (as defined in § 57.2502), and nurse practitioner (as defined in § 57.2402), physician assistant, chiropractor, clinical psychologist, health administrator, or allied health professional.

Health professions schools means any school of medicine, dentistry, osteopathic medicine, pharmacy, optometry, podiatric medicine, veterinary medicine, public health, chiropractic, graduate programs in health administration, or graduate programs in clinical psychology, as defined in section 799(1)(A), (B), (C), and (D) of the Act and as accredited in section 799(1)(E) of the Act.

Nonprofit refers to the status of an entity which is a corporation or association, or is owned and operated by one or more corporations or associations no part of the net earnings of

which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Program for the training of physician assistants means any educational programs as defined in section 799(3) of the Act.

Project director means an individual designated by the grantee in the grant application and approved by the Secretary to direct the project being supported under this subpart.

Project period means the total time for which support for a project has been approved including any extensions of the project.

School of allied health means a public or private nonprofit junior college, college, university or hospital-based educational entity which provides or is accredited to provide a program of education to enable individuals to become allied health professionals or to provide additional training for allied health professionals and which meets the criteria set forth in section 799(4) of the Act.

School of nursing means a collegiate, associate degree, or diploma school of nursing in a State (section 853(2) of the Act).

Secretary means the Secretary of Health and Human Services and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

Training and retraining of faculty means a program to train and retrain faculty to provide geriatric instruction which is not a 1-year retraining program for faculty in schools of medicine and osteopathic medicine in geriatrics or a 1-year or 2-year internal medicine or family medicine fellowship program as identified in section 777(3)(A) and (B) of the Act.

[54 FR 5617, Feb. 6, 1989, as amended at 57 FR 45746, Oct. 5, 1992; 58 FR 66298, Dec. 20, 1993; 61 FR 6129, Feb. 16, 1996]

§ 57.4003 Who is eligible to apply for a grant?

Any public or private nonprofit health professions school, school of allied health, or program for the training of physician assistants located in a State may apply for a grant under this subpart. Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at the time the Secretary may prescribe.

[54 FR 5617, Feb. 6, 1989, as amended at 57 FR 45746, Oct. 5, 1992]

§ 57.4004 Program requirements.

(a) The Secretary will award grants to meet the cost of carrying out one or more of the following six purposes:

- (1) Improve the training of health professionals in geriatrics;
- (2) Develop and disseminate curricula relating to the treatment of the health problems of elderly individuals;
- (3) Expand and strengthen instruction in methods of geriatric treatment;
- (4) Support the training and retraining of faculty;
- (5) Support continuing education of health professionals and allied health professionals who provide geriatric treatment; and
- (6) Establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric medicine.

(b) Projects must include one or more of the activities in paragraphs (a) (1) through (6) of this section for four or more types of health professionals as defined in § 57.4002 of this subpart.

(c) Each project must evaluate the program systematically, including the determination of a baseline at the outset of the project and the measurement of the degree to which program and educational objectives are met.

[54 FR 5617, Feb. 6, 1989, as amended at 58 FR 66299, Dec. 20, 1993]

§ 57.4005 How will applications be evaluated?

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed prin-

cipally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will decide which applications to approve by considering, among other factors:

(1) The degree to which the proposed project adequately provides for the project requirement described in § 57.4004;

(2) The extent to which the rationale and specific objectives of the project are based upon a needs assessment of the status of geriatrics training in the institutions to be assisted and/or the geographic area to be served;

(3) The ability of the project to achieve the project objectives within the proposed geographic area;

(4) The adequacy of educational facilities and clinical training settings to accomplish objectives;

(5) The adequacy of organizational arrangement involving professional schools and other organizations necessary to carry out the project;

(6) The adequacy of the qualifications and experience in geriatrics of the project director, staff and faculty;

(7) The administrative and managerial ability of the applicant to carry out the proposed project in a cost-effective manner; and

(8) The potential of the project to continue on a self-sustaining basis.

(b) In determining the funding of applications approved under paragraph (a) of this section, the Secretary will consider any special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[54 FR 5617, Feb. 6, 1989, as amended at 57 FR 45746, Oct. 5, 1992; 58 FR 66299, Dec. 20, 1993]

§ 57.4006 How long does grant support last?

(a) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to re compete for funds. This period, called the project period, will not exceed 3 years. The maximum period of support, including

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the initial project period and competitive extensions, may not exceed 6 years.

(b) Generally, the grant will initially be funded for 1 year, and subsequent continuation awards will also be for 1 year at a time. Decisions regarding continuation awards and the funding levels of these awards will be made after consideration of such factors as the grantee's progress and management practices, existence of legislative authority, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation or other award with respect to any approved application or portion of an approved application. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

[54 FR 5617, Feb. 6, 1989, as amended at 58 FR 66299, Dec. 20, 1993]

§ 57.4007 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) Grantees may not spend grant funds for sectarian instruction or for any religious purpose.

(c) Any balance of federally obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts awarded by

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withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[54 FR 5617, Feb. 6, 1989, as amended at 57 FR 45746, Oct. 5, 1992]

§ 57.4008 What additional Department regulations apply to grantees?

Several other regulations apply to grants under this subpart.

These include, but are not limited to:

42 CFR part 50, subpart D—Public Health Service grant appeals procedure

45 CFR part 16—Procedures of the Departmental Grant Appeals Board

45 CFR part 46—Protection of human subjects

45 CFR part 74—Administration of grants

45 CFR part 75—Informal grant appeals procedures

45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this title

45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Service Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance

45 CFR part 93—New restrictions on lobbying.

[54 FR 5617, Feb. 6, 1989, as amended at 57 FR 45746, Oct. 5, 1992; 61 FR 6129, Feb. 16, 1996]

§ 57.4009 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

[61 FR 6129, Feb. 16, 1996; 61 FR 51020, Sept. 30, 1996]

§ 57.4010 Additional conditions.

The Secretary may impose additional conditions in the grant award before or at the time of the award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

Subpart PP—Grants for Faculty Training Projects in Geriatric Medicine and Dentistry

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, 67 Stat. 631 (42 U.S.C. 216); sec. 789(b) of the PHS Act, as amended by Public Law 100-607, 102 Stat. 3136-3138 (42 U.S.C. 295g-9(b)); renumbered as sec. 777(b), as amended by Pub. L. 102-408, 106 Stat. 2052-54 (42 U.S.C. 294o).

SOURCE: 55 FR 37481, Sept. 12, 1990, unless otherwise noted.

§ 57.4101 To what projects do these regulations apply?

These regulations apply to grants to eligible schools and programs under section 777(b) of the Act (42 U.S.C. 294o) for the purpose of providing support for projects to train physicians and dentists who plan to teach geriatric medicine, geriatric psychiatry, or geriatric dentistry, including traineeships, and fellowships for participation in these programs.

[59 FR 63902, Dec. 12, 1994]

§ 57.4102 Definitions.

Act means the Public Health Service Act, as amended.

Budget period means the interval of time (usually 12 months) into which the project period is divided for budgetary and funding purposes.

Elderly means a population with health care conditions and needs which differ significantly from those of younger people, which are often complicated by the physical, behavioral, and social changes associated with aging. This would include all persons over 60, but may include slightly younger people who are subject to similar physical and/or mental conditions.

Extended care facility means a health care institution or distinct part of an

institution that furnishes, in lieu of hospitalization, room and board and medically-prescribed skilled nursing care or rehabilitative services 24 hours a day by an organized health care staff.

Fellow means an allopathic physician, osteopathic physician, or dentist participating in a retraining program or fellowship program supported by a grant under section 777(b).

Fellowship program means a 2-year organized training effort sponsored by an allopathic or osteopathic medical school, a teaching hospital, or a graduate medical education program which is designated to provide training for—

(1) Physicians who have completed a graduate medical education program in internal medicine, family medicine (including osteopathic general practice), psychiatry, neurology, gynecology, or rehabilitation medicine; and

(2) Dentists who have demonstrated a commitment to an academic career and who have completed postdoctoral dental training, including postdoctoral dental education programs or who have relevant advanced training or experience.

Full-time teaching physician means an allopathic or osteopathic physician who is a faculty member of the grantee institution and who is engaged in teaching, research, clinical, and administrative activities normally performed by teaching faculty employed on a full-time basis, as defined by the grantee institution.

Full-time teaching dentist means a dentist who is a faculty member and who is engaged in teaching, research, clinical, and administrative activities normally performed by teaching faculty employed on a full-time basis, as defined by the institution. The dental faculty member does not have to be employed by the grantee institution but can be a dental faculty member at another institution which has an affiliation agreement with the grantee institution.

Full-time training means full-time training, as defined by the grantee institution.

Geriatric dentistry means the provision of dental care for elderly persons, particularly those with one or more chronic or debilitating, physical or

mental illnesses with associated medication or psychosocial problems.

Geriatric medicine means the prevention, diagnosis, and medical treatment of illness and disability as required by the needs of the elderly.

Geriatric psychiatry means the prevention, diagnosis, evaluation and treatment of mental disorders and disturbances seen in older adults.

Graduate medical education program means a program sponsored by a school of medicine, a school of osteopathic medicine, a hospital, or a public or private nonprofit institution, which:

(1) Offers postgraduate medical training in the specialties and subspecialties of medicine; and

(2) Has been accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association through its Committee on Postdoctoral Training.

Grantee means an entity that receives a grant and assumes legal and financial responsibility both for the awarded funds and for the performance of the grant-supported activity.

Longitudinal care means the provision of medical or dental care to the same panel of elderly patients for a period of at least 9 months in each year of training.

Part-time teaching dentist means a dentist who is a faculty member and who is engaged in teaching, research, clinical, and administrative activities normally performed by teaching faculty employed on a part-time basis, as defined by the institution. The dental faculty member does not have to be employed by the grantee institution but can be a dental faculty member at another institution which has an affiliation agreement with the grantee institution.

Postdoctoral dental education program means a program sponsored by a school of dentistry, a hospital, or a public or private nonprofit institution, which:

(1) Offers postdoctoral training in the specialties of dentistry, advanced education in general dentistry, or a dental general practice residency; and

(2) Has been accredited by the Commission on Dental Accreditation.

Primary care means health care which may be initiated by the patient or the provider, or both, in a variety of set-

tings, and which consists of a broad range of personal health care services including promotion and maintenance of health, prevention of illness and disability, basic care during acute and chronic phases of illness, guidance and counseling of individuals and families, and referral to other health care providers and community resources when appropriate. In providing the services:

(1) The physical, emotional, social, and economic status of the patient is considered in the context of his or her cultural and environmental background, including the family and community; and

(2) The patient is provided timely access to the health care system.

Project means all activities, including training programs, specified or described in a grant application as approved for funding.

Project director means an individual designated by the recipient and approved by the Secretary to direct the project being supported under section 777(b).

Project period means the total time for which support for a project has been approved, including any extension thereof, by the awarding unit.

Relevant advanced training or experience means at least one of the following: (1) Completion of at least a 12-month graduate training program in a health-related discipline, the basic sciences, or education; (2) a minimum of 2 years of teaching experience in an accredited dental education program of which at least 12 months were devoted in part to issues pertaining to the care of older adults; or (3) a minimum of 2 years of clinical practice, of which at least 12 months were devoted in part to managing older dental patients in a hospital, long-term care facility, or other setting.

Retraining program means a 1-year program of full-time individualized training in clinical geriatrics and geriatric research for physicians who are faculty members in departments of internal medicine, family medicine (including osteopathic general practice), gynecology, geriatrics, or psychiatry at schools of medicine and osteopathic medicine, and dentists who are faculty members at schools of dentistry or at hospital departments of dentistry.

School of medicine or school of osteopathic medicine means a public or private nonprofit school which provides training leading, respectively, to a degree of doctor of medicine or a degree of doctor of osteopathic medicine, and which is accredited as provided in section 799(1)(E) of the Act.

Secretary means the Secretary of Health and Human Services, and any other officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

State means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

Teaching hospital means a public or private nonprofit hospital which is:

(1) Accredited by the Joint Commission on Accreditation of Hospitals or the American Osteopathic Association; and

(2) Operates at least one postdoctoral training program which is fully or provisionally accredited by the Accreditation Council for Graduate Medical Education or approved by the American Osteopathic Association.

[55 FR 37481, Sept. 12, 1990, as amended at 56 FR 29194, June 26, 1991; 57 FR 45746, Oct. 5, 1992; 59 FR 63902, Dec. 12, 1994; 61 FR 6129, Feb. 16, 1996]

§ 57.4103 Who is eligible to apply for a grant?

Public or private nonprofit schools of medicine, schools of osteopathic medicine, teaching hospitals, and graduate medical education programs located in a State are eligible to apply for a grant under this subpart. Each eligible applicant desiring a grant under this subpart shall submit an application in the form and at such time as the Secretary may prescribe.

(Approved by the Office of Management and Budget under control number 0915-0060)

[54 FR 5617, Feb. 6, 1989, as amended at 57 FR 45746, Oct. 5, 1992]

§ 57.4104 For what projects may grant funds be requested?

Each eligible applicant must propose a fellowship program or a retraining program.

[54 FR 5617, Feb. 6, 1989, as amended at 57 FR 45746, Oct. 5, 1992]

§ 57.4105 Project requirements.

A project supported under this subpart must be conducted in accordance with the following requirements:

(a) The project must have a project director who is employed full time by the grantee institution;

(b) Projects must have an appropriate administrative and organizational plan, and adequate faculty, physical, and administrative resources for the achievement of stated objectives;

(c) Projects must systematically evaluate the training program, including the performance and competence of trainees and faculty, the administration of the program, and the degree to which program and educational objectives are met;

(d) The project must be under the programmatic control of a graduate medical education program in internal medicine or family medicine (including osteopathic general practice) or in a department of geriatrics or psychiatry;

(e) The project must be staffed by at least two physicians in full-time teaching positions who have experience or training in geriatric medicine or geriatric psychiatry and be staffed, or enter into an agreement with an institution staffed, by at least one dentist who is employed in a full- or part-time teaching position and has experience or training in geriatrics;

(f) The project must provide fellows with training in geriatrics and exposure to the physical and mental disabilities of a diverse population of elderly individuals. The population must include:

(1) Elderly in various levels of wellness from fully independent and well, to patients confined to bed with serious illness; and

(2) Elderly from a range of socioeconomic, racial and ethnic backgrounds;

(g) The project must provide medical and dental training experiences in:

- (1) An ambulatory care setting;
- (2) An inpatient service; and
- (3) An extended care facility,

During the course of the training, each fellow must receive experience in primary care, consultation, and longitudinal care;

(h) Fellowship programs must have a curriculum which includes training in clinical geriatrics, teaching skills, administrative skills, and research skills for physicians and dentists;

(i) Retraining programs must provide 1 year of full-time training suited to the individual needs of each fellow. To assure that the needs of all fellows can be met, each retraining program must have the resources available to provide clinical, research, administrative, and teacher-training experience; and

(j) Effective in the second year of grant support, a minimum of three entering fellows, including at least one physician and one dentist, must be enrolled in each training program for which grant support is received. The Secretary may suspend this requirement if the Secretary determines that a grantee has made a good faith effort to comply with this requirement through the various recruitment means available in its institution and at the national level, and has met the other requirements stated in this section but is unable to have the required number of fellows in the program due to circumstances beyond its control.

[55 FR 37481, Sept. 12, 1990, as amended at 56 FR 29194, June 26, 1991; 57 FR 45746, Oct. 5, 1992; 59 FR 63902, Dec. 12, 1994]

§ 57.4106 How will applications be evaluated?

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will award grants to applicants whose projects will best promote the purposes of section 777(b) of the Act and these regulations. The Secretary will consider, among other factors:

(1) The extent to which the proposed training program will prepare physicians and dentists to perform the research, teaching, administrative and clinical duties of a faculty member specializing in geriatrics;

(2) The degree to which the project plan adequately provides for meeting the requirements set forth in § 57.4105;

(3) The administrative, management and resource capability of the applicant to carry out the proposed project in a cost-effective manner;

(4) The potential for the applicant to continue the program without Federal support after completion of the requested project period; and

(5) The extent to which the project will increase the number of geriatric fellowship and retraining positions available for individuals who want to prepare for academic careers in geriatric medicine, psychiatry, or dentistry.

(b) In determining the funding of applications approved under paragraph (a) of this section, the Secretary will consider any special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[55 FR 37481, Sept. 12, 1990, as amended at 59 FR 63902, Dec. 12, 1994]

§ 57.4107 How long does grant support last?

(a) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to re compete for funds. This period, called the project period, will not exceed 5 years.

(b) Generally, the grant will initially be funded for 1 year, and subsequent continuation awards will also be for 1 year at a time. Decisions regarding continuation awards and the funding levels of these awards will be made after consideration of such factors as the grantee's progress and management practices, existence of legislative authority, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the award of any grant shall

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commit or obligate the United States in any way to make any additional, supplemental, continuation, or other award with respect to any approved application or portion of an approved application. For continuation support, grantees must make separate application at such time and in such a form as the Secretary may prescribe.

[55 FR 37481, Sept. 12, 1990, as amended at 57 FR 45746, Oct. 5, 1992]

§57.4108 What financial support is available to fellows?

Expenditures from funds are limited to:

(a) Tuition and fees, in accordance with the established rates of the institution, except as limited by the Secretary;

(b) Stipend support, in accordance with established Public Health Service postdoctoral stipend levels; and

(c) Travel to field training if the site is beyond a reasonable commuting distance and requires the fellow to establish a temporary new residence. However, fellowship funds may not be used for daily commuting from the new place of residence to the field training headquarters.

§57.4109 Who is eligible for financial assistance as a fellow?

To be eligible for a fellowship an individual must:

(a) Be a resident of the United States and either a citizen or national of the United States, an alien lawfully admitted for permanent residence in the United States, a citizen of the Commonwealth of the Northern Mariana Islands, a citizen of the Republic of Palau, a citizen of the Republic of the Marshall Islands, or a citizen of the Federated States of Micronesia;

(b) Be a physician or a dentist enrolled in a "fellowship program" or a "retraining program" as defined in §57.4102; and

(c) Not be receiving concurrent support for the same training from another Federal education award which provides a stipend or otherwise duplicates financial provisions except education benefits under the Veteran's Re-

adjustment Benefits Act, and loans from Federal sources.

[55 FR 37481, Sept. 12, 1990, as amended at 61 FR 6129, Feb. 16, 1996]

§57.4110 What are the requirements for fellowships and the appointment of fellows?

(a) The grantee must complete a statement which documents the appointment of each fellow. To complete this statement the grantee must require the provision of information and documentation of eligibility by each fellow. The statement of appointment must be completed by the beginning of the training period or as soon thereafter as possible if the fellow receives notice of his or her fellowship appointment after the training period has begun. The statement of appointment must include information to document the eligibility of the fellow and certify that there will be compliance with all applicable Public Health Service terms and conditions governing the appointment. The program director must sign the statement on behalf of the grantee, and the fellow must sign it thus certifying the statements are true and complete. The original copy of the statement must be retained by the grantee to be available for program review and financial audit. A copy shall be provided to the fellow for his or her records.

(b) The grantee may not require fellows to perform work which is not an integral part of the geriatric training program, or to perform services which detract from or prolong their training.

(Approved by the Office of Management and Budget under control number 0915-0060)

[55 FR 37481, Sept. 12, 1990, as amended at 56 FR 29194, June 26, 1991]

§57.4111 Termination of fellowships.

(a) The grantee must terminate a fellowship:

(1) Upon request of the fellow;

(2) If the fellow withdraws from the grantee institution; or

(3) If the grantee determines that:

(i) The fellow is no longer an active participant in the training program; or

(ii) The fellow is not eligible or able to continue in accordance with its standards and practices.

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(b) The grantee must deposit any Federal portion of the tuition refund owed to a fellow into the grant account and provide written notice to the fellow that it is doing so.

(Approved by the Office of Management and Budget under control number 0915-0060)

[55 FR 37481, Sept. 12, 1990, as amended at 56 FR 29194, June 26, 1991. Redesignated at 59 FR 63902, Dec. 12, 1994]

§ 57.4112 For what purposes may grant funds be spent?

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and this subpart.

(b) Grantees may not spend grant funds for sectarian instruction or for any religious purpose.

(c) Any balance of federally-obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during a budget period, it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

[55 FR 37481, Sept. 12, 1990, as amended at 57 FR 45746, Oct. 5, 1992. Redesignated at 59 FR 63903, Dec. 12, 1994]

§ 57.4113 What additional Department regulations apply to grantees?

Several other regulations apply to grants under this subpart. These include, but are not limited to:

- 42 CFR part 50, subpart D—Public Health Service grant appeals procedure
- 45 CFR part 16—Procedures of the Departmental Grant Appeals Board
- 45 CFR part 46—Protection of human subjects
- 45 CFR part 74—Administration of grants

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45 CFR part 75—Informal grant appeals procedures

45 CFR part 76—Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the department of Health and Human Services effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this title

45 CFR part 83—Regulation for the administration and enforcement of sections 794 and 855 of the Public Health Services Act

45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance

45 CFR part 93—New restrictions on lobbying

[55 FR 37481, Sept. 12, 1990, as amended at 57 FR 45746, Oct. 5, 1992. Redesignated at 59 FR 63903, Dec. 12, 1994; 61 FR 6129, Feb. 16, 1996]

§ 57.4114 What other audit and inspection requirements apply to grantees?

Each entity which receives a grant under this subpart must meet the requirements of 45 CFR part 74 concerning audit and inspection.

[59 FR 63903, Dec. 12, 1994]

§ 57.4115 Additional conditions.

The Secretary may impose additional conditions on any grant award before or at the time of any award if he or she determines that these conditions are necessary to assure or protect the advancement of the approved activity, the interest of the public health, or the conservation of grant funds.

[55 FR 37481, Sept. 12, 1990. Redesignated at 59 FR 63903, Dec. 12, 1994]

PART 58—GRANTS FOR TRAINING OF PUBLIC HEALTH AND ALLIED HEALTH PERSONNEL

Subparts A-B [Reserved]